THE INFLUENCE OF ENERGY POLITICS ON CONFLICT

A Master's Thesis

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To my family

THE INFLUENCE OF ENERGY POLITICS ON CONFLICT

The Institute of Economics and Social Sciences
of
Bilkent University

by

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I certify that I have read this thesis and have found that it is fully adequate, in scope and in quality, as a thesis for the degree of Master of Arts in International Relations.

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ABSTRACT
THE INFLUENCE OF ENERGY POLITICS ON CONFLICT

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This thesis analyzes the energy sector and its effects on inter-state conflict in the world, to find out whether the decreasing energy resources in the world influences the probability of conflict. The thesis tries to explain the relation between producer countries and consumer countries in disputes, and to show the interaction between a state's consumption and its production in order to examine the overall need. Starting with the literature review, the thesis focuses on the various causes of conflict while examining energy scarcity as a source of conflict. The theoretical chapter first explores why and how a state's energy needs increase that state's probability of getting involved in conflicts. Next, the theoretical framework in which a producer state is more likely to get into a conflict with a consumer state is explained. Finally, a discussion of the effect of major power presence in the dyad on likelihood of conflict follows. In the comparative case study chapter, the cases of the US-Iraq conflict of 2003, and the Russia-Georgia conflict of 2008 are compared and analyzed within the elaborated theoretical framework.

Keywords: energy, conflict, US-Iraq, Russia-Georgia.

ÖZET

ENERJİ POLİTİKALARININ ÇATIŞMALAR ÜZERİNDEKİ ETKİSİ

Efeçınar, Eftal

Master, Uluslararası İlişkiler Bölümü

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Bu çalışma, enerji piyasasını, bu piyasanın dünyadaki ülkeler arası ilişkilere etkisini konu almaktadır ve bu tezde fosil enerji kaynaklarının azalmasının dünyadaki çatışmaları etkileyip etkilemediği üzerine araştırma yapılmıştır. Bu tez, enerji piyasasındaki üreticilerle tüketicilerin ilişkilerini, bunun uluslararası ilişkilere etkisini, ve bir devletin tüketiminin üretimine oranının dış politikaya yansımaları üzerine sonuçlara varılmak adına yazılmıştır. Bu amaçla tezde niteliksel yöntemlerin kullanımına öncelik verilmiştir. Çalışma, karşılaştırmalı olay analizi üzerinden yapılmış, bunu gerçekleştirmek için ABD-Irak, Rusya-Gürcistan çatışmaları bir araştırma metodu olan karşılaştırmalı durum çalışmaları kullanılarak seçilmiş ve öngörülen teoriyi araştırmak için kullanılmıştır.

Anahtar Kelimeler: enerji, çatışma, uluslararası savaş, ABD, Irak, Rusya, Gürcistan.

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TABLE OF CONTENTS

CHAPTER I

INTRODUCTION

> *"Conflict over valuable resources- and the power and wealth they confer- has become an increasingly prominent feature on the global landscape. Often intermixed with ethnic, religious, and tribal antagonisms, such conflict has posed a significant and growing threat to peace and stability in many areas of the world (Klare 2001, ix).*
>
> *Resource wars will become in the years ahead, the most distinctive feature of the global security environment... The priority accorded to economic considerations by national leaders, the ever-growing demand for a wide range of basic commodities, looming shortages of certain key materials, social and political instability in areas harboring major reserves of vital commodities, and the proliferation of disputes over the ownership of important sources of supply... Some of these problems will be mitigated by market forces and the onward progress of technology: others, however, will be exarbated by the corrosive side effects of globalization (Klare 2001, 214) ."*

Conflict has played a crucial role in international politics throughout the history not just because it has resulted in serious injuries in human life, nation states and international relations, but also because it has lead to constant changes in the stability of world system. Wilkenfeld and Brecher (2000) defines conflict as "the overt, coercive interactions of contending collectivities, involving two or more parties using coercion to injure or control their opponents." Various issues related to

conflict, such as causes and consequences of it, have been researched by numerous scholars of international relations.

Besides, after the end of the Cold War, some scholars tried to explain the relationship between energy resources and conflict. Energy resources are vital for human life in an industrialized country because of its widespread use. Energy is significant not only for its use in the manufacturing sector, transportation and trade; but also and especially for its use in national defense. Currently, the fossil energy resources –oil, gas and coal- comprise nearly 80% of the energy market, compared to alternative energy resources. As the population of a state increases and technological developments spread, the need of indispensable fossil energy resources also increases (Choucri and North 1972, 86). Fossil energy resources are distributed unequally in the world and their asymmetric distribution produces competition over them. Although coal as a fossil energy source is distributed nearly equally all around the world, others such as oil and natural gas resources have been concentrated in certain parts of the world. For example, two thirds of proven oil reserves are located in Saudi Arabia, Iran, Iraq, Kuwait, Qatar, and the United Arab Emirates. This unequal distribution of oil and natural gas resources in the world ignited concerns of states about security of energy supply.

This thesis focuses on the topic of energy and conflict because of the prominence of the need of energy by all states and the above-mentioned unevenness of resources. Not a day goes by without international news on energy politics. The conflict that inspired this thesis and its focus on energy politics was the first war I have actually witnessed, Iraq-Kuwait war, which took place in 1991. In the news the aim of this war was explained as Iraq's territorial demands from Kuwait, and the

reason for Iraq to ask for Kuwaiti territory was the huge amount of oil in its borders. Besides, Kuwait was key to Iraq's aspirations as a regional power and its dominance over the Arab society. However, the United States did not let Iraq achieve its aims and helped Kuwait. After some research on this conflict, I started thinking that the energy politics in the region was the main cause of the conflict and the U.S. intervention, and for the next decades, I have always paid more attention to the news on energy and conflict.

This interest in fossil energy resources led me to the research question of this thesis: how does the decrease in energy resources influence conflicts in the world? In other words, are two countries more likely to fight one another if one is in desperate need of energy that the other has. The realist theory argues that survival is significant for all states and the need of survival is crucial to conducting relations with other states. When states cannot extract resources that they need from their own territory, they search for other means to provide them, and in case they are faced with difficulties, they tend to use all capabilities to obtain their needs. The energy market is significant from this point of view, since the energy resources are the core necessity of states' industries and economies, the competition over energy and its implications over survival are substantial. In line with the realist theory, I posit that a fossil energy consumer country focuses on minimizing its use of the fossil energy resources, and tries to create crucial technologies to use alternative resources. However, some consumers, which are often powerful states, may choose direct intervention to energy-rich countries both economically via multinational corporations and militarily, by using force. Fossil energy producers, on the other hand, are interested in guaranteeing the demand while they also pay attention to monopolizing their energy market and protecting territories that have huge reserves.

In addition, the transit countries, which transit fossil energy resources from producer to consumer states, try to protect their primacy in the trade ways to gain more and to develop their economies, and they prevent others to change the existing routes of trade.

Since different kinds of states have different motives in energy politics, sometimes their interests clash and they take different measures to accomplish their goals in the energy market. In addition, the difference between the theory of this thesis and the literature is that this theory takes the energy resources's scarcity concept in a macro level and focuses on scarcity in the world. This logic leads to the four hypotheses that are explored in this thesis. First hypothesis is that a state's increasing need of fossil energy resources, which can be calculated by the proportion of production of that state with consumption of these resources in the same state, increases the likelihood of conflict. In addition, the second hypothesis is that a fossil energy consumer state is more likely to be in conflict with a producer state. The third hypothesis involves the effect of major power presence from the realist literature and argues that major power presence in a crisis increases the likelihood of conflict. Lastly, the fourth hypothesis focuses on the initiators of war; although consumer states tend to initiate war in cases where their energy supply is cut off and alternate is required. They are not the only initiators of such aggression. Producing states may also become initiators of war due to concerns of the market and market supremacy.

Chapter II includes the literature review for both the inter-state conflict literature and the literature on energy politics. The literature on international conflict and its causes is a complex one, from which I will use two levels of analysis: system, and state level. Under system level, power, polarity and alliance ties as causes of

conflict will be explained under the realist/neorealist theory besides the power transition, power cycle and hegemonic stability theories. On the other hand, territory, contiguity, regime type, public opinion and complex interdependence as causes of conflict will generate the "state level" analysis of the literature review. Besides all these issues that lead to conflict, some scholars have emphasized the importance of religion and ethnicity, which will also be explained in this chapter.

The energy literature will be the focus of the second part of Chapter II. This part examines why fossil energy resources have a huge capacity to shape world policies, and foreign policies of states. Energy market and its effects on international security, especially on international conflict is analyzed. To begin with, the importance of energy resources will be explained in system and state levels. The reasons for past and possible future conflicts which have been identified in literature are examined. The chapter ends with crucial examples of energy politics to make theoretical explanation more practical.

In Chapter III, which reveals the theoretical framework and the methodological approach of the thesis, the focus is on the causal relationship between the independent and the dependent variable, and the method that is chosen to study the relationship. After explaining the briefly above-mentioned theory in more detail, the chapter explains all variables one by one, and clarifies the research design.

Chapter IV uses the comparative case study method with the help of the most different systems design as it is explained in Chapter III. Starting with the control variables; regime type, territory, polity missions, ethnicity, major power status,

alliances, capability and trade will be used as control variables, since these are the core causes of conflicts according to the literature. All of these variables and their importance for the cases will be explained one by one, while examining the cases. Both the Iraq-US dyad and the Russia- Georgia dyad are Producer-Consumer dyads and, since one of the hypotheses states that a producer-consumer dyad is more likely to go to war than either a producer-producer dyad or consumer-consumer dyad, this is a beneficial starting point. In addition, both cases have a major power presence in the dyad, one of the independent variables. For the dependent variable, it is obvious that both of the conflicts have turned into a war. Both cases are explained in terms of their historical developments, causes, and most importantly in the context of energy politics. The cases show that energy politics is influential in a conflict especially when one of the sides is a major power that is a consumer country in need of energy resources.

This thesis contributes to the international relations literature since energy and its effect on conflict has increasingly become relevant to world politics. After the end of the Cold War, states have often come to the brink of conflict because of energy resource scarcity, changes in transportation routes, usage of wells in the borders or usage of energy in the open seas. The need of survival makes the states more prone to conflicts for energy since energy is necessary in every economic activity of a state but for developing states only energy need is not enough to initiate a conflict, because presence of energy resources does not cover the costs of a conflict in these developing states. This thesis shows that major powers such as the U.S. and Russia are more likely to engage in energy related disputes while developing states still fight over traditional conflict causes such as territory and ethnonationalism instead of risking their security with energy related issues.

CHAPTER II

LITERATURE REVIEW

2.1 Causes of Inter-State Conflict

The literature on international conflicts and their causes have been a complex one, and starting off I decided to follow the general trend in the literature and organize examining the variables using different levels of analysis. In this chapter of the thesis, three levels of analysis will be used: System level, state level and individual level. Under system level, concepts such as power, polarity and alliance ties and their effects on likelihood of conflict will be explained using the (neo)realist theory as well as power transition, power cycle and hegemonic stability theories. On the other hand variables and concepts such as territory, contiguity, regime type, public opinion and complex interdependence will generate the "state level" analysis of the literature review.

System level of analysis in international relations is used mostly by realists and neo-realists to examine not only the changes in the number of conflicts, but also the changes in the characteristics of conflict. Polarity, which can be defined as resource and power distribution and number of autonomous powers in the international system (Bueno de Mesquita 1975), is the first factor that explains

conflict in the systemic level (Kaplan 1957; Mearsheimer 1990; Midlarsky 1988; Morgenthau 1967; Rosecrence 1966). In bipolarity, the concentration of power is under the control of two superpowers whereas in multipolarity a group of relatively equal power controls the global system both militarily and politically (Waltz 1964). Bipolarity was exercised in the first part of the Cold War by the United States and the Soviet Union, while multipolarity was exercised between the two world wars (1918-1939). In addition to these, Wilkenfeld and Brecher (2000, 283) defines polycentrism, which has been exercised by the world in the second part of the Cold War, as military power in the hand of two superpowers and political power with multiple centers. Unequal power structures create a less stable world where crises turn into conflicts. On the other hand, a unipolar world, which consists of one global power, has been accepted as the most stable and the least war-prone world system of all, although it is quite rare (Gilpin 1981; Organski 1958). Due to the capability advantage in a hegemonic state within unipolar systems, the possibility of war between small or middle powers decreases. Although most scholars agree on the stability of a unipolar world, they do not agree on the stability of other systems (multipolar, bipolar and polycentric systems). While Waltz (1979) believes that a bipolar world creates a more balanced world, and is not prone to wars, Morgenthau (1967) finds multipolarity as the most stable system because of the flexibility of alliance formation. Consequently, polarized international systems are more stable than power shifts in the systemic level. Any shifts from unipolarity to bipolarity, or bipolarity to multipolarity make the world system more prone to conflict (Gilpin 1981; Organski 1958).

The distribution of power between states also influences the likelihood of war occurrence. The concept of "capability balance" has been explained differently using the realist balance of power theory, power transition, hegemonic decline, and long cycle theories. These different theories agree that differences in the power capabilities of states affect the likelihood and frequency of war (Gilpin 1981; Organski 1958; Waltz 1979; Wright 1964). In the balance of power theory, nearly equal distribution of military, economic, social and political power makes two states more peaceful, because in an unequal distribution of power, the stronger state would be more aggressive against the weaker state because the former is not deterred by the power of the latter. Threat perception leads states to a balance of power situation; when a state increases its power and becomes too powerful in comparison to others, the other states feel the threat and start to rise their own power to balance against it.

In the long cycle and power transition theories, the prediction is that equal distribution of power among a challenger and a dominant status quo state leads to conflict if the challenger is dissatisfied with the status quo. Power transition theory basically rejects the three common assumptions of realism. This theory argues that the international system is not structured in an anarchy as realists believe; it is hierarchical. The domestic and international rules that are governing the states in the system are essentially similar, and cooperation does not occur to take full advantage of the powers of states but to maximize the net gains (Kugler and Organski 1989). Because the most powerful countries stabilize the world system, the only way for conflict to happen is the possibility of a challenger that is not satisfied with the system. "Degrees of satisfaction as well as power are critical determinants of peace and conflict. Great nations that support the international order are allies of dominant

nation and help determine how smoothly the system runs" (Kugler and Organski 1989). With these movements, the great nations and the dominant nation are able to protect the status quo but peace can be threatened by a nation which is not satisfied with the status quo and thus searches for a new international order with its increasing power. In essence, power transition theory argues that satisfaction of the big powers with the status quo stabilizes the system, but any dissatisfaction can create an attempt for a leadership war (Hebron, James and Rudy 2007: Levy 1985).

Power cycle theory, on the other hand, emphasizes the importance of time for the system and the states to explain conflict occurrence. It mentions that any change in relative capabilities of the states and any critical point in the history of the states and the world might lead to war.

> Most of the leading states in the system have followed a path of systemic power and role as indexed by their capability relative to that of others in the central system – that is marked by ascendancy, maturation and decline. For most states, absolute levels of capability increase by some upward –bending function over long time periods. But, relative to the indicators, if traced over long enough intervals, tend to follow the pattern of rise and decline of the power cycle (Doran 1989, 85).

With this explanation, it can be said that a state is more likely to engage in a war when it is at a critical point of that nation's relative power cycle, which changes the status quo in the system. The concept of relative capability is particularly important for the power cycle theory, because it explains that when states have relative capabilities, the system can continue its balance and harmonic relations (Levy 1985; Modelski, and Thompson 1989). However, when a state gains relatively more power than the others, its ability to influence international political issues

increases, the leadership of that state expands, which consequently may lead to a conflict.

Similarly, hegemonic stability theory accepts that the international system is governed by a dominant power which is prevailing in terms of military and economic concerns (Gilpin 1988; Levy 1985). The world will serve the interests of the dominant power and the other states "will seek to change the international system through territorial, political and economic expansion until the marginal costs of further change are equal to or greater than the marginal benefits" (Modelski and Thompson 1989, 30). Power hierarchy creates competition in the global order and for a state to create or to maintain a regime, the support of the dominant power is crucial.

After elaborating polarity as the first systemic factor that affects conflict, alliances are the next important cause of inter-state conflict. The effect of alliances on conflict is plagued by mixed evidence. Two strands of research focus on two causal links: the effect of alliances on number of conflicts, and the effect of alliances on the characteristics of conflicts. In the first strand of the alliances literature, the notion that "alliances deter war by maintaining military equilibrium" has been accepted by some theorists (Holsti, Hopmann and Sullivan 1973), while other scholars (Jervis 1976; Midlarsky 1988; Vasquez 1993) agree that alliances are more likely to be balanced by counter-alliances, which would bring violence to the system (Jervis 1976). Also, "the greater the number of alliance commitments in the system, the more war the system will experience" (Singer and Small 1968, 251). Moreover, some theorists agree that alliances also affect the characteristics of conflict such as its duration, hostility, and magnitude. Alliances increase the probability of severity of

conflicts (Bueno de Mesquita 1978; Midlarsky 1986; Wallace 1973). In addition to these general ideas on alliances, Vasquez believes that types of alliances are also influential on conflicts (Vasquez 1993, 312). He argues that some global institutional alliances, which limit the movement of members in the usage of power, decrease the possibility of war, while alliances that include a major state involvement are more prone to conflict. Furthermore, new alliances are more problematic than the alliances that have been established for more than 50 years. Also, alliances established at a time of war are more prone to conflicts (Vasquez 1993, 313).

In sum, the literature of realist school shows that alliances are more prone to wars when they are encouraging counter-alliances. Neorealism, on the other hand, supports a counter-argument on alliances, as it believes that since the international system is anarchical, distribution of power is the central focus of this system and alliance establishment provides balance of power and decreases the likelihood of conflict in the system. Waltz (1964) explains that achieving the balance of power between the states can reduce the number of conflicts, but anarchical systems are always prone to conflict. He also believes that a bipolar system is less prone to conflict as in the Cold War era (Waltz 1979, 209).

The frequency of wars in the system appears in the literature as the third systemic factor as a cause of inter-state conflict. Ongoing wars are strictly related to the new wars that arise in the international arena. The high frequency of wars in any region increases the likelihood or the number of wars in the same region (Geller 2000; Goertz and Diehl 1993; Maoz 1989). Maoz's research (1995) under the Correlates of War project shows that in a regional environment with high frequency

of revolutionary regime changes, the possibility of inter-state conflict increases. This argument has been empirically supported by the Correlates of War data (Sarkees 2000). Another point on this issue is the presence of war in a region directly influencing the characteristics of the crisis. Because conflict in the system encourages other states to increase their capabilities to protect themselves, an increase in these military capabilities can trigger any crisis to turn into a conflict. In addition, this creates a security dilemma which ends up in an arms race and instability of power which might also lead to conflict.

The second level of analysis to focus is the state (dyadic) level. At the dyadic level of analysis, contiguity, and territorial proximity are the most commonly studied factors in the literature. Theory on territorial proximity posits that neighboring states are more likely to fight with each other because proximity decreases the cost of wars, and rather than reaching peaceful settlement, states choose to engage in war, as long as absolute gains are possible (Bremer 1992; Diehl 1991; Midlarsky 1975; Vasquez 1993; Wallensteen 1981). Wilkenfeld and Brecher (2000, 287) argues that contiguity allows adversaries to undertake military action by moving troops and equipment to a common border, making the resort to violence easier. “Distant adversaries can be expected to exhibit a wider range of crisis behavior, since launching military action under such circumstances is a considerably more serious and costly undertaking” (Wilkenfeld and Brecher 2000, 287).

Territorial proximity allows a state to increase its interests in the region, and rather than finding peaceful solutions to a crisis and making relative gains possible, neighboring countries prefer absolute gains by converting crisis into conflicts.

Talking about relative and absolute gains carries neorealist and neoliberal theories once again into the scene. Neo-realists focus on relative gains, saying that because the states are focusing on the relative gains, cooperation is just an exception in international relations, while neo-liberalists believe that absolute gains are inspiring for states (Keohane 1986; Rousseau 1999). Singer and Small (1968) have tried to explain this pattern through empirical research, by taking the Correlates of War project as a starting point. The results show that "the average distance between capitals of warring states was significantly less than the average intercapital distance of all-state dyads for the period under analysis (1816-1965)" (Singer and Small 1968). Apparently, crises are more likely to turn into conflicts if the land and sea borders of the dyads are close to each other because proximity decreases the cost of wars. As a result, contagious land or sea between two states increases the frequency of wars within a dyad.

Borders, which exemplify territorial proximity, are another factor in the state level of analysis. Geography is very significant for a state to construct its foreign policy. For example, states which are separated from others by sea or ocean can isolate themselves from world politics or they can engage in wars overseas with less concern at home. However, continental states sharing borders with others and especially to instable regions need to engage in world politics, establish alliances to protect themselves and increase their capabilities to defend themselves (Diehl 1991). Contiguity creates security problems within bordering states, and it creates new threat perceptions, which can lead to conflict (Diehl 1991; Midlarsky 1975; Starr 1991; Wright 1964). "Crises between contiguous or near-neighbor adversaries were more likely to be triggered by violence than were crises between more distant

adversaries" (Wilkenfeld and Brecher 2000). In addition, borders increase the war proneness of these states in case there are disputes about these borders.

The third dyadic level variable is the political system of the states within a dyad. The most significant proposition that explains the effect of regime type on the conflict decision is the "democratic peace" proposition. Democratic peace proposition posits that "democracies very rarely –if at all- make war on each other." (Russett 1983) In democratic states, because decisions are made by a mass population, the general public would most likely directly oppose war because of its costs (Bremer 1992; Bueno de Mesquita and Lalman 1992; Gleditsch 1995). Three common theories explain the democratic peace proposition more clearly. Institutional approach examines the effect of institutional framework on conflict and the main point is that complexity in political mobilization explains why democracies do not go to war with each other, because these institutions are imposing some constraints on governors (Bueno de Mesquita et all. 1999). While the institutional approach is focusing on legal and constitutional constraints, the normative approach focuses on the effects of norms: "…norms of compromise and cooperation prevent their conflicts of interest from escalating into violent clashes" (Maoz and Russett 1993). In addition to the institutional and normative approaches, Kantian perpetual peace proposition asserts the idea of consent. He argues that since a democratic country needs to search for the consent of its citizens, the possibility of war would decrease.

> …if the consent of the citizens is required in order to decide that war should be declared (and in this constitution it cannot but be the case), nothing is more natural than that they would be very cautious in commencing such a poor game, decreeing for themselves all the calamities of war. Among the latter would be: having to fight, having to pay the costs of war from their own resources, having painfully to

> repair the devastation war leaves behind, and, to fill up the measure of evils, load themselves with a heavy national debt that would embitter peace itself and that can never be liquidated on account of constant wars in the future (Kant 1939).

Decisions are more likely to be in favor of peaceful solution to disputes because wars cost so much to democratic countries. “Although democracies are no less prone than non democracies to engage in violence in pursuit of their interest, democracies rarely employ war as a means for resolving conflicts with other democracies” (Wilkenfeld and Brecher 2000, 290). In contrast, these theorists support the notion that in authoritarian states, the decision making process is neither limited by the constitution, nor by public opinion. Thus, authoritarian leaders are more likely to go to war. So, Kant would argue that the more democracy spreads throughout the world, the less conflict will remain in the system; thus, perpetual peace will be possible.

The level of economic development within a dyad has also been a popular explanation of causes of inter-state conflict. Liberal economic thought is based on free trade, market economy and international peace. Free trade creates interdependence between states, and as long as states are interdependent on each other’s markets to continue their economic vis-à-vis political stability, conflict between trading states is too costly. Therefore, capitalist states are not likely to engage in a conflict as long as they have established liberal economic systems. Instead, they prefer to find solutions to problems by peaceful settlements (Bremer 1992; Buzan 1984; Geller 2000; Wright 1964). In addition to trade, economic production is also significant for dyads. “States with economic system based on commerce and industry have been less war prone than those with economies based

on agriculture or animal pasturage, and he goes on to suggest that the interactions of states at advanced levels of economic development are characterized by lower probabilities of conflict" (Geller 2000, 421). Because of agriculture, land is crucial. Protecting their own land or obtaining more land are important to the national interests of agricultural states. However, for industrial states, trade and good relations with neighbors to guarantee imports and exports are more significant than the absolute gains of the conflicts. Thus, agricultural states are more likely to engage in conflict when a crisis arises due to expectation of absolute gains. On the other hand, industrial states prefer relative gains and do not engage in conflict. Consequently, trade is the common factor that influences the decisions of governments, and it is a significant factor that leads to peaceful settlements (Geller 2000, 421).

Public opinion and its effects on foreign policy and on the decision to go to war are relatively new issues in the International Relations literature, which tries to move beyond the realist argument that the state is the only "unitary" actor in world politics. Two basic standpoints which are, "leaders follows the masses" (Neack 2003) and "elite affects the public opinion to be shaped," are in the agenda about the public opinion and foreign policy decisions.

Scholars like Neack (2003), Nincic, and Russett (1979) agree that public opinion affects politics in both democratic and non-democratic countries. In democratic states, because of the constraints of democracy, public opinion affects the leaders and foreign policy making period positively. "Democratic systems by their nature allow for more public involvement in the policy making process. But, scholars have wondered about the processes by which public opinion gets translated into

influence on the foreign policy-making process in democracies" (Neack 2003). Although this is an indirect effect, the democratic governments are influenced by the public opinion more than public opinion is affected from the governance (Neack 2003; Nincic 1992; Russett and Graham 1989). On the other hand, from the perspective of non-democratic countries, the situation is more complex. In non-democratic countries, the legitimacy and the constraints of states do not involve the public opinion in the policy making process. "Government legitimacy derives not from elections but from the mass public's perception of given regime's adherence and faithfulness to powerful transnational symbols" (Neack 2003) like ideologies, religion etc. In addition, in these states, public opinion is used to influence the other state's governors by manipulating the public opinion and the media. These ideas can be summed up by saying that the initiation of war is not directly affected by public opinion regardless of the regime of the country (democratic or non-democratic). Moreover, public opinion has manipulative power over the state's rulers. In democratic states, it is possible for public opinion to accept the costs of war, while it is also possible to reject the war directly. In addition, in the non-democratic states, it is easy to create masses with public opinion to go to a war.

In state level, the complex interdependence theory proposes another explanation for conflict initiation. Liberal complex interdependence theory explains that trade increases bilateral communication, and because of the dependency that trade creates, good relations develop between two states . Thus, the possibility of war decreases (Keohane and Nye 1977). On the other hand, realists support that more trade dependence leads to conflict rather than cooperation (Pevehouse 2004). According to realists, the interdependence creates inequality and source of insecurity,

"interdependence breeds no accommodation and harmony but suspicion and incompatibility" (Mc Millan 1997, 40). "Interdependence is not a matter of mutual and symmetrical interactions as liberalism assumes, and the power inherent in asymmetric economic relationships does matter for international politics particularly the onset of war" (Mc Millan 1997, 41). So, it can be said that a general concern that realists share lies here: complex interdependence between states not only influences states economically, but also increases the concern over war vis-à-vis insecurity. Because they believe that inequality in supply and demand of any commodity used by the states increases the problems in the market share, they believe that trade does not make the relations between states stronger, but leads to the very opposite, greater uncertainty that increases the possibility of military conflict (Gilpin 1981; Keohane and Nye 1977).

Besides state and system levels to examine the causes of conflicts, there is one other cause, identity, which is accepted as the major cause of civil conflict, but also is quite significant in the explanation of interstate conflict, too. Creation of an identity in a state is a gradual process (Saideman 2001). Genetic heritage, language and common history are crucial for a group of people to share the same identity. In addition, ethnic and religious awareness forms identity. With the presence of all or some of these common features, a group can create their own identity. Conflicts over identity become more possible in case members of these different identity groups feel threatened by any other group. Mostly, groups give strong responses to other groups and this leads to conflict. Nationality, religion, race and ethnicity help people get organized (Riggs 2007). Especially religion is a strong variable because it creates the possibility of separatism. In addition, any action which leads to religious

divisions produces strong responses (Fox 2004b). Besides, Fox's research (2004a) shows that some religions are more conflict-prone than others. While Buddhism is a pacifist religion which is less likely to engage in conflicts, naturally Islam is more defensive and more prone to conflict. In the end of the cold war, rising nationalism led to conflict between ethnonational communities and these groups started to look for autonomy (Riggs 2007). In addition, the idea of diaspora also became a significant cause of conflict. These crises related to the identity of groups increases mutual distrust and thus also the possibility for violence (Wilkenfeld and Brecher 2000, 289). Birnir and Satana (2008), on the other hand, oppose Fox's treatment of religion as a usual suspect and they find no statistical significance in the relationship between type of religion and conflict. Moreover, the presence of global liberal institutions like EU, and their guarantees for minority rights decrease the likelihood of violence between ethnic and religious groups.

2.2 Literature on Energy Resources and Their Effect on Inter-State Conflict

Widespread use of fossil energy resources makes them indispensable for human life. These resources are vital for their usage in manufacturing sector, transportation and different industries, especially the defense sector. Klare (2004) emphasizes that fossil energy resources provide energy to tanks, ships, missiles and other instruments of war. Likewise, Choucri and North mentions that "A combination of growing population and developing technology places rapidly increasing demands upon resources, often resulting in internally generated pressures. The greater this pressure, the higher will be the likelihood of extending national activities outside territorial boundaries" (1972, 86). Population increase and

technological developments create an amplifying effect on states' demands of fossil energy resources. Thus, these fossil energy resources have a capacity to shape world politics and the foreign policies of states. In this part of the literature review, the energy market and its effects on international security, especially on conflict, will be evaluated. To begin with, the importance of energy resources will be briefly explained from the system- and state-level perspectives. Then, the reasons for past and possible future conflicts which have been identified in the literature will be examined through various examples.

Fossil energy resources, which have been influencing the policies of the states for ages, are important commodities. In the literature, fossil energy resources are accepted as oil, natural gas and coal. The distribution of coal is more equal throughout the world. The recent computations derived from BP data show that the top three coal reserve countries possess 61% of the world's total reserves, more thatn top three oil (42%) and in gas (55%). But the idea lies behind the statement- the distribution of coal is more equal- is not that numbers, it is about the reserves in proportion to their usage and need. For example, biggest shares of coal industry is owned by US, Russia, China and India, and these states are the ones who need this resources most because of their developed or developing huge industries. However, oil and natural gas resources have been distributed asymmetrically and are especially located in the Middle East and Central Asia in which the degree of states' industrialization is limited, and necessity of resources are less. On the other hand, the fossil energy resources can be considered in two types with respect to their estimation: proven and potential resources. The term, proven fossil energy resources, "are estimated quantities that analysis of geologic and engineering data demonstrates

with reasonable certainity are recoverable under existing economic and operating conditions." (EIA 2007). The new extraction technologies and research increased the possibility of the discovery of new energy resources. However, due to hardness of producing and using these new resources in which states' need new investments on research and development, and because the potential reserves can only be estimated without any use of approximation methods and thus with no certainty,, the scholars choose to focus on the proven reserves rather than potential ones in their research. Oil and gas, more than any other unique commodities, influenced the world politics, and foreign decision making various times in the past. There are examples showing that these fossil energy resources have turned a crisis into a conflict because the need for energy supply has been growing day by day. The costs of conflict are replaceable since the need of energy is acute. Common reasons of resource wars can be summed up in the words of Michael Klare (2001, 15): "… the escalating worldwide demand for commodities of all types, the likely emergence of resource scarcities, and disputes over the ownership of valuable sources of critical materials." Fossil energy resources have been the most critical ones between the natural resources throughout the industrial history, but some international relations scholars (Klare 2004; Yergin 1992) discuss the causes of the increase in the number of disputes over these resources in the last decades. Klare (2004) and Yergin (1992) believe that the main cause is capitalism and the related economic security policies of industrialized states. In a capitalist world, industrial states are dependent on raw materials and as soon as the intensity of ideological conflicts abated and nearly disappeared by the end of the Cold War, resources rose to the top of the agenda. Klare (2001, 27) emphasizes that "no highly industrialized society can survive at present without substantial supplies

of oil, and so any significant threat to the continued availability of this resource will prove a cause of crisis and, in extreme cases, provoke the use of military force".

Based on this literature, first, the rising demand for energy resources and for all types of commodities is the reason that can turn crises into conflicts in the new international security agenda (Cordesman 1999; Cowhey 1985; Krapels 1993; Odell 1979). Since the world population has been rising continuously, the need for various commodities is also increasing. Especially after industrialization, people's need for energy resources started increasing like any other commodity that is needed for human survival. In this respect, every state's need for energy increased but some states' requirements were considerably larger than others with respect to their position in international politics and due to their economic structures. For example, the US alone consumes almost 30% of the energy market, which obviously increases the United States's impact on world energy markets (BP 2008, 11).

Newly industrialized states are also significant in the increasing demand for energy resources, while older industrialized states try to decrease their demand--because they do not want to be dependent any more, and of course because fossil energy resources worsen the environment-by using energy more efficiently and by inclining towards renewable energy resources (Jaffe and Medlock 2005). For example, the US attempts to decrease its demand, and to diversify its suppliers, because it does not want to be so dependent on the energy-rich Middle Eastern countries (The Department of Energy Organization 1998), while the European Union attempts to decrease its demands, and move towards renewable resources in order to protect the environment (Commission of European Communities 2006). On the other

hand, especially the Asian states and Southern Asian Islands increase their demands with their industrialization gradually, because they are in the industrialization process that the West has experienced long ago (Jaffe and Medlock 2005; Kalicki and Goldwyn 2005; Sinton et all. 2005; Xuetang 2006). In addition, China and India face a more rapid development and expansion in their industries, and their need for energy in the future will be more than the U.S. need at the present (Jaffe and Medlock 2005). So, the world demand does not decrease in the way western powers desire, but it increases because the need for it in the world is still substantial. Thus, the demand for these resources can lead to conflict if supply would not satisfy world's demand.

Considering the increasing demand, a shortage in fossil energy resources of the world is highly possible, and because these resources are limited, states can race for their share of the limited fossil energy resources, which can lead and has led to conflict (Arbatov 1986). Although development of new technologies in energy research has increased the amount of proven fossil energy resources, it is still not enough to satisfy the world consumption (Nie 2003). To put it differently, new extraction technologies increase the fossil resource capacity. These new technologies can be used to find new wells, and they can make the companies use the current wells efficiently, but since world consumption on non-renewable resources is increasing at a faster rate, shortage seems inevitable. Thus, if states cannot resolve the resource shortage problem of the world, conflicts over energy will be inevitable.

Lastly, competition over the proven energy resources and their geographic boundaries have been and will be the most likely reason for resource conflicts

considering the fact that"…many key sources or deposits of these materials are shared by two or more nations, or lie in contested border areas or offshore economic zones" (Klare 2001, 21). This suggests three reasons for conflict: contested sources of supply: borders, offshore resources, and transportation. First, in some places these crucial energy resources are located, situated or deposited in the middle of borders of two states and this may lead these two states into rivalry over these resources. The shared proportion of oil revenues and ownership of these wells can create a crisis situation between two countries, and this situation mostly turns into a conflict because the benefits exceed the costs of the conflict. There are three significant examples of this kind of conflict throughout the history: Iraq-Kuwait war, Iran-Iraq war, and Saudi Arabia-Yemen War (Heinberg 2003; Klare 2001, 54). Secondly, there is a rivalry over offshore areas depending on the definitions of these areas, which are still controversial for the international community. Especially, most of the crises arise from the United Nations Convention on the Law of the Sea (UNCLOS). According to this convention, states have a right to explore and manage the resources in their exclusive economic zones, which are defined as: "The exclusive economic zone shall not extend beyond 200 nautical miles from the baselines from which the breadth of the territorial sea is measured" in the 57th article of UNCLOS (United Nations 1982, 44). Economic zone system works successfully for the states that border open seas and oceans; but in cases where states have borders on inland seas like the Caspian Sea or the sea between the Southern Asian Islands Spratleys, South China Sea, etc., exclusive economic zones become strictly problematic. In these inland seas, it becomes impossible to define borders of the exclusive economic zones, and the riparian or littoral states have problems in sharing the offshore resources. Finally, the transportation of these crucial materials creates problems in

straits and landlocked states as with most of the Central Asian states, because both the producers and consumers need to transport these commodities, but producers reject sharing their profits with transit countries. and this leads to conflict (Bahgat 2006; Klare 2001; Xuetang 2006; Yergin 1992).

A historical outlook is critical in this part of the literature review which would give a chance to look at the topic with practical information. According to most theorists that work on energy resources, both world wars and some other conflicts have taken place in order to gain the share of energy market and security of the oil supply (Fursenko 1990; Yergin 1992). Before WWI, oil was important for the states, but during the war, the significance of this resource gained more importance, because states started to use vehicles and logistics that use oil (Johnson 1991). Foreign policies began to be amended with respect of energy security threats between the two world wars. This period made European states engage in oil politics and World War II made all the world work on it. After the two world wars, the emphasis on oil decreased slightly because of nuclear energy; states focused on the threat of the Cold War and nuclear power, rather than focusing on energy needs and the security of demand (Kissinger 1994). When an oil embargo was imposed by the Arab states in the Middle East in 1973-1974, this embargo put most Western economies in depression. From that time on, states increasingly emphasized the security of energy supplies (Kissinger 1994). "Import dependent states have been concerned with maintaining sustainable, secure access to oil at low prices, whereas oil exporting states, mainly in the developing world, have been concerned with balancing the desire to uphold prices and revenues while maintaining market share" (Bromley et all. 2006, 4). Due to these reasons the Western Bloc developed new strategies for 10-

year periods to secure their needs. For example, The Department of Energy Organization (1998) in US created a strategy paper called “Comprehensive National Energy Strategy”, which is focusing on the energy security concerns of US. This attempt continued by European GreenPaper called “Green Paper: A European Strategy for Sustainable, Competitive and Secure Energy” by Commission of European Communities (2006). However, states saw that solutions to crises became difficult through peaceful means, and the threat of resource wars once again moved to the international agenda at the end of the Cold War.

After the explanation of the historical constraints, I will discuss a few examples from the literature examined in terms of their geographic location. To start with, the Persian Gulf is an important region for the world oil market because this region has two-thirds of the market share in proven reserves. The instability in the region, which was created by multiple great and middle power rivalries, religious and ethnic conflicts, terrorism, and territorial disputes, makes it both more significant and vulnerable than others. In this region, “the presence of vast supplies of energy” increase the likelihood of warfare (Klare 2001, 80).

The second region that needs to be focused on is the Caspian Sea region in which crises over offshore resources have occasionally broke out. In addition to that, this region also experienced territorial disputes over oil and gas resources which are likely to turn into larger conflicts. For example, the Caspian Sea itself is just one dispute in the region with respect to the United Nations Convention on Law of the Sea because the Caspian Sea is landlocked and its international position is still

contested, so states[1] continue their claims for their shares in the offshore area (Klare 2001, 88). In addition, the situation between the Southeastern Asian islands of Malaysia, Philippines and Brunei can be a good example to demonstrate the third issue-transportation. Because these states are so close to each other, they also have disputes over offshore areas, but the disputes over transportation on straits like Malacca are more likely. "First, the states that border on the area will undoubtedly seek to maximize their access to its undersea resources in order to diminish their reliance on imports. Second, several other East Asian countries, including Japan and South Korea, are vitally dependent on energy supplies located elsewhere almost all of which must travel by ship through the South China Sea" (Klare 2001, 111). To the disputes in the region, seven states are party: Brunei, China, Indonesia, Malaysia, the Philippines, Taiwan and Vietnam. As these several examples portray, energy security has been a constant concern in the conflict literature.

In addition to these arguments about the relationship between energy and conflict, the literature also situates energywar in the context of general international relations theories. As clarified by Paul Williams (2007) realism, prospect theory and social constructivism can be used to explain how energy resources cause conflict. Most realists contend that there is a causal relationship between material scarcity and energy wars. Scarcity of material resources inclines states to dominate either resources or trade routes. This pursuit finite resource leads, in turn, to conflictual interaction patterns. "Military intervention in resource rich areas remains *the ultima ratio* of outcomes in the energy sector, as it does for great-power politics" (Williams

[1] These states are: Azerbaijan, Iran, Kazakhstan, Russia and Turkmenistan. "Iran and Russia seek joint development of all offshore areas (beyond a narrow coastal strip) by all five littoral states: the others seek to divide the entire Caspian into five seperate Exclusive Economic Zone; negotiations between the parties on the ownership of offshore drilling rights are continuing." (Klare 2001, 229)

2007, 47). On the other hand, prospect theory has a different focus in comparison to realism. Prospect theory focuses on the decision making process through a modification of expected-utility models. It tries to examine the importance of status-quo positions in the energy market and advises that producers need to continue the exporting process in a collective manner in order to protect the stability in the values of energy resources againist decreases in demands. On the other hand, the theory also suggests that consumer countries will focus on preserving the buyers market and rectifying any situation that may reduce supply (Williams 2007). Lastly, social constructivism supports that the energy resources are significant for states only because their usage has been socially defined, and that "material resources acquire particular meanings from being part of larger social structures, which also consist of shared knowledge and agent practices that (re)produce these structures" (Onuf 1989, 285).

2.3 Conclusion

The conflict literature included two levels of analysis in the conceptualization of conflict causes: system level and state level. System level of analysis examines power distribution and polarity as the conflict causes that realism and neorealism indicate, and alliance ties and their effects on the likelihood of conflict are explained using the (neo)realist theory as well as power transition, power cycle and hegemonic stability theories. In the state level, territorial contraints, contiguity, regime type, public opinion and complex interdependence are examined as conflict causes. After explanation of these factors that have been often studied in the literature, I focused on the states' needs of energy security as the major cause of conflict.

As a final implication of the different aforementioned literature, it is quite a simplistic yet undeniable approach to conclude that energy resources and conflicts (both regional and global) are dramatically intertwined with each other, regardless of the states and/or energy source in consideration as long as there is a scarcity of the resource itself. The fact that nations require most, if not all, energy sources for their needs that are far too important to attain by other more economically or socially unfavorable means, results in a way in which nations choose a way out: conflict. The history has portrayed many times that such energy-based values and materialistic needs have been the key determining factors for nations' political approach towards other nations, regions and sectors. When there is no scarcity, there tends to be a lower probability of such conflict arising between nations, though this fact does not eliminate the probability of a conflict erupting altogether. One cannot underestimate the importance of factors such as a nation's allegiance along with its military power and prowess in regards with the rival nations' similar qualities when trying to evaluate a possible conflict between the two; although it must be noted again that these factors, in no way whatsoever, totally eliminate the possibility of a conflict occurring at all.

CHAPTER III

THEORY AND METHODOLOGY

3.1 The Theoretical Framework

Due to their widespread consumption, energy resources are vital for people in industrialized countries. Energy resources are crucial for industries not only for their use in manufacturing, but also in transportation of people, and all trade materials. This is true especially for the defense industry. In addition to this fact about energy resources, currently fossil energy resources –oil, gas and coal- have a share of 80% in the energy market besides alternative energy resources. Since the technology and investment on alternative resources are limited, and development of alternative energy technology depends on other resources, alternative energy resources are still not able to compete in the energy market. The increasing population in the world and the recent technological developments lead to the high demand on indispensable fossil energy resources (Choucri and North 1972, 86). Fossil energy resources are distributed unevenly throughout the regions and this asymmetric distribution brings a competition over them. Unlike coal, which can be retrieved from many regions, oil and natural gas resources are concentrated in certain parts of the globe. This uneven distribution of oil[2] and natural gas resources in the world raise the concerns of states

[2] - Two third of proven oil reserves are in Saudi Arabia, Iran, Iraq, Kuwait, Qatar, and United Arab Emirates.

about security of energy supplies. Due to these reasons, the general concern of this thesis is based on oil and natural gas, since they are the resources likely to influence the foreign decision making processes in the world.

I argue that the Iraq-Kuwait war of 1990 and the Operation Desert Storm are good examples of how and why energy concerns may lead to war, which helped me to derive the main insights of the theoretical framework. Iraq was one of the exceptional states in the Middle East region after a decade long Iran-Iraq war of 1990. The intention was to maintain this situation and to continue to be ahead of all the other states in the region. Thus, Iraq aimed to conquer Kuwait, get its land, and obliterate the Kuwait government as well as the state. The underlying reason was energy; Iraq was after the energy resources that were possessed by Kuwait, and also was trying to resolve the border problems by invading Kuwait. Because, if Saddam – then the Iraqi President - could have achieved the goals that he had, this would mean that Iraq would be in control of 20% of the market share of oil reserves, and OPEC's (Organization of the Petroleum Exporting Countries) production share (Yergin 1992, 723). While Kuwait was strategically very important for Iraqi energy needs, Iraq was not the only country with these calculations. The US decided to use its force in the region through the Operation Desert Storm and prevented Iraq from invading all of Kuwait. A destructive energy war between Iraq and Kuwait was joined by the US, which turned out to guarantee only a fragile peace in the region.

The case of Iraq-Kuwait war made me realize early on that energy resources are considerable as a cause of war because they are in the basis of all the economic activities in an industrialized state. For the satisfaction of citizens' needs and

continuation of economic activities, leaders pay attention to imports of energy resources and policies about energy security. Moreover, this situation increases the dependency of the state on energy imports. In this sense, dependency on other states increases. Governments feel the necessity to establish strategies to access energy cheaply, from secure transportation methods, without any delay, to present them for their citizens' consumption needs and to continue their economic activities (Cowhey 1985; Humphreys 2005; Krapels 1993). Especially states, which are dependent on export of energy (consuming countries), started to act more sensitively in their relations with regions, which are rich in energy resources, like the Middle East and Central Asia. To gain access to these resources, states risk their security priorities and even trigger tensions that have the possibility to turn into conflicts, if consuming states intervene to the oil rich parts of the world. Although in modern life, conflicts are costly and rarely feasible due to the risk of nuclear retaliation between nuclear states, sometimes the gains from the conflicts over energy resources exceed their costs, making the conflicts more likely, especially between states without nuclear power.

As discussed in the literature review chapter, the classical realist theory posits that survival is the ultimate goal of a state and the needs for survival are also crucial while conducting relations with other states. When states cannot provide the resources they need from their own territories, they seek others to provide them, and in the event they face resistance, they tend to use all their capabilities to fulfill their needs. The energy competition situation assumed by this thesis is viewed from the perspective of different types of states with different levels of energy needs: consumer, producer and transit states. A decrease in the amount of fossil energy

resources and an increase in demand creates competition in the world energy market, thus in turn creating enemies among consuming states, which ultimately influences their relationships with producer states negatively. The states' ways of handling this problem are different. Some take steps to minimize their use of these fossil energy resources, and try to develop technologies to use the alternative resources, whereas some choose direct intervention to oil-rich countries, both economically via multinational corporations and through military force.

On the other hand, for the producers, guaranteeing the demand is crucial, while they also pay attention to monopolizing their energy market and to protecting territories that have huge reserves. Expectedly, for the producer states whose economies depend on the energy market, the situation is even more crucial. They either invest in alternative energy resources by employing their income from oil export like US and European Union focused in their energy security papers (Commission of European Communities 2006; The Department of Energy Organization 1998), or they try to create strategies for the development of new activities in economy. Also they get into conflicts with the neighboring states to have their crucial resources. Lastly, the transit countries try to protect their primacy in the trade ways to gain more and to develop their economies, and they aim to prevent others from changing the existing roads for trade.

While I agree that a single cause cannot be the sole determinant of an international conflict and all other psychological, sociological, demographic, economic and political causes need to be investigated, I believe that the realist theory and the theoretical framework that I just explained better explain conflicts in the

contemporary world. The main argument of this thesis is that the effect of energy resources besides all other actors and effects matter because "… the dynamics of national expansion is that differential rates of population growth in combination with differential rates of technological growth contribute to international competition and sometimes to conflict, insofar, as competing nations have differential – grossly unequal- access to resource and capabilities" (Choucri and North 1972, 84).

In the light of this theoretical framework, hypotheses will be examined to explain the influence of consumption and production of oil and gas resources on conflict. Prior to coming to these hypotheses, it is necessary to note that the focus of the theory is at the macro level. Most of the theories about energy wars are about scarcity, namely the energy scarcity of one specific state and argue that only consumer states go to war. Rather than focusing on the scarcity of energy resources in a statebased approach, in this thesis, the general foci will be the general scarcity happening in the world as explained above. It can be seen that my case studies are largely state-centric, but, the way I used to choose them includes the idea of general scarcity which increased in last decades. The first hypothesis is: as a state's need of fossil energy resources increases, the likelihood and intensity of conflict increases. Taking only proven energy resources into account will not be enough to explain the need of fossil energy resources. Although the proven energy resources seem to be increasing year by year according to the BP statistical review, the demand is increasing more rapidly[3]. New technologies, investments, and discoveries are increasing the numeric data, but while proven energy resources increase,

[3] This information is present in the BP statistical review, which can be found in the BP website: http://www.bp.com/productlanding.do?categoryId=6929&contentId=7044622

consumption also increases with an even more accelerating pattern. So, to be able to come up with the energy needs of the states, it is more logical to examine the interaction between consumption and production. It should be noted that there are states with huge amounts of proven resources, but they are not using any of those unless their consumption is larger than their resources (production). Such states have the chance to decide whether or not to export these resources to balance the demand and supply, but it can be seen that their near future projections are not showing any shift in their exports. The interaction between three variables-proven energy resources, production and consumption- points to the energy need of that state, and its standpoint in the energy market. Having a brief idea of a state's energy situation, and that state's conflict intervention, it is possible to explore the effect of energy resources on conflict. So, the hypothesis predicts that if a state's need of energy resources increases, then that state can be more hostile and can easily engage in conflict.

The second hypothesis which will be explored with comparative case study is on a Consumer and Producer dyad, which is more likely to end up in a fight in case of scarcity in the world. In other words, I expect that conflict is more likely when a problem arises between a consumer and a producer state. There are some consumer producer dyads which continue trading peacefully, but this only means that in that dyads the states are not influenced by the global scarcity because of the strong interdependence like US- Saudi Arabia example. It is thus possible to divide states as consumers and producers of energy. Producing energy resources does not necessarily make a state an exporter. The state needs to consume less than its production in order to be an exporter. For example, the US is still a major producer of oil with 6871

thousand barrels daily production on 2006 data in comparison to world's 81663 thousand barrels production, but is also the largest importer since they import 13612 thousand barrels of oil daily, while in the world total import is only 52561 (BP 2007). On the other hand, this logical link is also valid for the consumer. Consuming energy resources does not mean that the state is an importer. For example, Russia is a large consumer of gas with 432, 1 billion cubic metres (BP 2007), but is the world's largest exporter with the export of 191 billion cubic metres of gas to world (EIA 2007b). In order to be an importing state, a particular state needs to consume more than its production. It can be argued that in the historical wars like Iraq and Kuwait, and Iran and Iraq are producer-producer dyads, and examples to this hypothesis can be falsified. But, in this thesis, I am looking to the phenomena in a more global way and in comparison to my first hypothesis. Because of this reason, these conflicts are not in the date range of my cases.

The third hypothesis involves the realist emphasis on major power conflict. The third hypothesis is: When one of the states in a dyad is a major power, the probability of conflict over energy resources increases if the major power is experiencing energy scarcirty and the other party can, but will not, help to ease that scarcity. The energy need of a major power is high in comparison to other states since power is determined by a state's capability that also depends on a strong economy in which major industries in the state need considerable energy resources. In general, what this thesis tries to achieve through exploring these four hypotheses is to examine the energy market's influence on international politics, especially on security issues rather than economics.

In addition to all these hypotheses, the fourth hypothesis focuses on the war initiators. It states that not only a consumer state initiates the war when the energy supply is cut off, but that an initiation of hostility can also originate from producing state because of the latter's concerns over market primacy. With this hypothesis, the theory tries to focus on the scarcity on a global level rather than exploring states one by one, because in micro level –state-centered- explanation of the phenomena can only focus on a consumer state.

3.2 Research Design

In this section, conceptual and operational processes of the research design are discussed in detail. The variables will be conceptualized one by one starting with the dependent variable, independent variable and finally the control variables. After the examination of the variables and the research design process, case selection criteria will be discussed in detail.

3.2.1 Dependent variable

Wars. Although the literature focused on the conflict, from this part on, the thesis will focus on a specific kind of conflict: war. Wars, which maybe considered as a stronger form of conflict, can be defined as "a continuation of political intercourse, carried on with other means" (Clausewitz 1976, 87). This definition of Clausewitz refers to the usage of other means of international relations to reach to an objective by two political entities with a continuing relationship. "These include diplomacy, trade, sanctions, financial inducements, espionage, threates and displays of force, alliance-building, propaganda, and so on" (Barkawi 2006, 36). In the theory

and case study, the strongest form of conflict, war, will be explored. The decision process for the cases of chosen conflicts will be explained below in section 3.2.4.

3.2.2 Independent variables

*Deprivation of Energy Resources***.** As previously noted, the concept of fossil energy resources indicates common elements such as oil, gas and coal. It should be noted that the oil and gas distribution among the world is uneven, even though coal is distributed quite uniformly in comparison to their reserves and consumption. In addition, the concept of alternative energy resources includes both renewable resources as well as nuclear energy resources. Even though some states focus on the development and research on these resources, none of these states use these resources in a respectable amount. Due to such reasons, oil and gas reserves will be used in this thesis. In addition, the energy resources can be divided into two other categories, which are proven energy resources and potential energy resources. Although both terms are used in the energy literature, I will refer to the concept as proven energy resources throughout the text. "Proven reserves of oil– Generally taken to be those quantities that geological and engineering information indicates with reasonable certainty can be recovered in the future from known reservoirs under existing economic and operating conditions" (BP 2007, 6). The potential energy resources data are not available because it is hard to indicate what kind of a potential a territory has, considering that the potentials change according to the technological developments such as new technologies for drilling oil and so on. Thus, because it is impossible to prove the value that the experts are referring to as potential, it is not feasible to use that information in this research. Deprivation of energy resources, on the other hand, can be explained by proportioning the increase in the world

population with energy usage in the world versus world's overall energy capacity. So, in this thesis, the deprivation of energy resources will be taken as independent variable and since I am using state-centric case studies in the comparative case study chapter, the energy status of a state will be taken into account in most different systems design.

Major Power Presence. The presence of a major power is another independent variable, since the presence of a major power in a dyad makes wars more probable. The involvement of a hegemonic power in a conflict is crucial because the costs of the war are hardly affordable for the small powers, thus discouraging any escalation of crises that may lead to war. Since in the realist literature, major power presence in the dyad is implied as a conflict cause, whether this variable is also important in the energy conflicts will be examined in this thesis.

3.2.3 Control variables

1) Territory
2) Polity missions
3) Regime/ Government
4) Ethnicity
5) Alliances
6) Capability

The literature discussed in Chapter II leads me to include these variables as the controls. Territory refers to "an attempt by the revisionist state to gain control over a piece of turf that it claims but does not effectively possess" (Jones, Bremer

and Singer 1996, 178). Secondly, by mentioning politics, Jones, Singer, and Bremer have focused on a revisionist state which wants to change the foreign policies of the other state (Jones, Bremer and Singer 1996, 178). The regime refers to "the desire by the revisionist state to change the government of other state" (Jones, Bremer and Singer 1996, 178). Taking ethnicity as a conflict cause; ethnicity is defined as people from different cultures, backgrounds, bodily appearance, language and so on belong to different ethnic groups and in case of any contradictions or conflicts between different groups exist. The Minorities at Risk Project, which is an extensive research program on minority groups and conflicts, explains ethnicity as a cause of conflict and divides ethnic groups with their intergroup differentials coded as "cultural, political and economic status or traits of the group with respect to the dominant groups. Differentials are objective differences between groups, as best as we can judge them" (Minorities at Risk Project 2005). When it comes to the alliances, the establishment of alliances leads to a more balanced international society, but lets the states take risks, and get aggressive against others; because they believe that they can get what they need with the support of their ally. Capability determines state's power, resistance, and so the more the capable the states are; the less they try to avoid conflicts. "Power is considered by many to be a central concept in explaining conflict, and six indicators: military expenditure, military personnel, energy consumption, iron and steel production, urban population, and total population" (Singer, Bremer and Stuckey 1972).

After explaining all the variables included in the research, to illustrate the selection process and to confirm that the thesis has an underlying systematic method, the research design will be further discussed below.

3.2.4 The Method: Comparative Case Study

The comparative case study method with the most different systems design will be used in the thesis to the hypotheses of the thesis. Case studies are important in order to explain the underlying mechanism in the research, and they are useful to show the interdependent reasons lying behind the theory (Bennett 2004). While other methods like statistics show a general outcome from numerous cases, comparative case studies take some constant variables into consideration to explain the phenomena. With these cases, researchers have a chance to provide more detailed information to falsify their theory. Because of these reasons, the case study chapter will provide explanations about how the energy resources affect conflicts in the world by the help of two chosen dyads from the history in addition to a current conflict.

Since my thesis discusses how the decrease in fossil energy resources influences the nature and presence of conflict in the modern sense; I based my research on the cases belonging to the post-Cold War period. Because threat of conflict over energy is increasing day by day (especially after the end of the Cold War) concern over these resources increased. Consequently, I examined all the interstate conflicts that occurred between 1989 and 2007.

According to the literature, the conflicts in this time period are as follows:

Laos-Thailand 1988

Panama-US 1989

Iraq-Kuwait 1990- 1991

Ecuador-Peru 1995

Cameroon-Nigeria 1996

Eritrea-Ethiopia 2000

Iraq-Australia, United Kingdom, US 2003

Azerbaijan-Armenia 1989

India-Pakistan 2003 (Which proceeds in the post-cold war period)

Lebonan- Israel 2006

Russia- Georgia 2008

These dyads have been chosen from the Uppsala Conflict Data Program at the International Peace Research Institute, Oslo (UCDP/PRIO) Armed Conflict Dataset (Gleditsch et all. 2002), which includes both the interstate and civil conflicts until 2007. Because all other data sets include only the conflicts until 2001 and for the case study section, more recent conflicts are required; I categorized the conflicts into two as civil conflicts and interstate conflicts between 1990 and 2007, to have the most recent conflict data.

Once all the interstate wars were listed in that period, I decided to compare Iraq- Australia, UK, US war with Russia-Georgia case. To select these cases among the others in the list, I used the 'most different systems design', where the core idea is choosing cases with all the same measures for control variables, and different values on the independent and dependent variables. This method enables researchers to come up with an idea about whether the cases are selected bias-free. "The most

different systems designs eliminate factors differentiating social systems by formulating statements that are valid regardless of the systems within which observations are made. As long as these statements continue to be true in all systems, no reference to systemic characteristics is made" (Przeworski, and Tenue 1970, 39) So, in comparison to other cases in the list, Russia-Georgia and US-Iraq cases are matching the criteria of most different systems design, since the values for these cases regarding all control variables are close to each other whereas the dependent and independent variables' measures vary.

Since the most different systems design is established with the relations between the variables, it is significant to determine all variables that will be used in the research design part. Regime type, territory, polity missions, ethnicity, major power status, alliances, capability, and trade will be used as control variables since, according to the literature; these are the core causes of conflict. All of these variables and their importance for the cases will be explained one by one, after examining the cases in detail. However, it is possible to argue that the cases have different accounts for independent and dependent variables. The dependent variable (war) and independent variables (fluctuation and scarcity of energy) have the same situation for both of the dyads. Both the Russia-Georgia dyad and the Iraq-US dyad are producer-consumer dyads. Since one of the hypotheses is on how much more conflictual a producer-consumer dyad should be; this is a useful starting point. Since the second independent variable is major power presence, these two cases are also matching the criteria of having a major power presence in the dyad. For the dependent variable, it is obvious that both of the conflicts have turned into a war.

CHAPTER IV

COMPARATIVE CASE STUDY

After the previously mentioned reasons of the selection of the Russia-Georgia and Iraq-US dyad as cases to explain energy conflicts, in this case study chapter, both of the cases will be taken one by one and examined starting with their historical background. The generally accepted causes of the cases will be the focus before tackling the question of "Why energy is important?" In the last part, the two cases will be compared according to the control variables that have been chosen under the light of the literature review on conflict.

4.1 US-Iraq War

4.1.1 Historical Background

The September 11 terrorist attacks were the turning point for the United States and its security perceptions, since it was the most unexpected attack the US faced in the post Cold War era. After the September 11 attacks, America focused on retaliation politics in this asymmetric war against the terrorists, and indicated that the Middle East and Central Asia were the core regions to solve the terrorism problem

due to the presence of Al-Qaeda in the region. The US indicated two core reasons as to why these regions were directly related to the terrorist movements: Radical Islam, and the states that were supporting radical Islamic terrorism (Bush 2002; Bush 2002b; Cordesman 2004; Jamieson 2007). After the US surge in Afghanistan, these reasons directed the attention to Iraq and the Saddam Hussein regime. United States pursued a preventive war strategy in order to use a one-sided initiative including a preemptive strike, rather than collective movements, to justify its actions in the Middle East. According to this preventive war strategy, America was able to decide what the threats were, and decide on its actions without the international society's viewpoint. In addition, US started to see the states that were supporting terrorism as the holders of weapons of mass destruction (WMD), and in case of necessity, believed to have the right to make preemptive strikes against these states as well.

On the other hand, American claims over Iraq such as, "Iraq does not accept the regulations of the United Nations, Iraq has nuclear weapons and is developing them, and because of these reasons Iraq is a great danger for the stability of the region, and democratization in Iraq is crucial, Iraq has strong ties with Al-Qaeda…" (Arı 2004, 497) were means to try and shift the public opinion both in the United States and in the world.

While these developments took place in the United States, United Nations was also focusing on the investigations over Iraqi territory, even if the Iraqi government was preventing them from conducting their investigations on weapons of mass destruction such as chemical weapons, as well as on the presence of ties with Al-Qaeda. With the passing of Resolution 1441 in 2002 (United Nations 2002), UN

called Iraq for a full cooperation with a deadline, but UN did not find the Iraqi response to the resolution satisfactory. After this resolution, the contradictory opinions over the issue of Iraq started to increase in the international community. France, Russia and China as Permanent Members of the Security Council, as well as Germany and Syria, as Temporary Members, were totally rejecting the idea of military intervention to Iraq while US, United Kingdom, Pakistan, Angola, Cameroon, Ghana, and Chile were in support of the military intervention to start a democratization process in Iraq (Arı 2004, 503). While the UN was trying to solve this crisis, the NATO member states were pondering over the same concerns. Although news of destroying weapons of mass destruction was coming from the Iraqi government, America decided in favor of the military intervention. The UN Security Council still approved the continuation of inspections in Iraq, as the then American Foreign Minister, Colin Powell was supporting the idea that Iraq was rejecting cooperation and that there was a strong need to retaliate and eliminate all of Iraq's weapons of mass destruction (Arı 2004, 504).

Although United States did not get the approval of the Security Council and its other allies, it initiated an operation called "Operation Iraqi Freedom" in cooperation with the United Kingdom. The American army's air superiority was visible starting from day one of the operation. Security Council members France, Germany, Russia and China were continuing to declare their concerns, as well as announcing that the US needed to stop its operation (Arı 2004) .

On March 20, 2003 initial strikes of Operation Iraqi Freedom started in Bagdat, directly againist Saddam Hussein and his sons (Kahl 2007). These strikes

targetting Saddam continued with the speculations of Saddam's death in media until Saddam Hussein appeared on television, saying "You will be victorious Iraqi people" (BBC 2003). With the proof that Saddam Hussein was still alive, the threat of use of chemical weapons increased, and strong Iraqi resistance increased this possibility until March 25, 2003 (BBC 2003c). The US air and marine strikes started after that with 'shock and awe strategy', and with the Kurdish people's help, the US military seized the oilfields (BBC 2003b). Media showed every detail of the war. The serious casualties that people witnessed in the media increased the concerns of the international society against US intervention and human rights violations in the region (Amnesty International 2003). Although the US army already controlled the capital, and the international airport, new airbombings caused several casualties. With airstrikes and the help of British troops, Basra resistance also lost power and the coalition forces collapsed the Iraqi regime and this collapse created a chance for Iraqis to lost ministries, houses, offices and schools (Reich 2003).

When Kirkuk fell on April 10, Turkey warned coalition forces that they could not accept Kurdish control in this region. Saddam Hussein was captured near Tikrit, in late 2003 and US declared that Operation Iraqi Freedom succeeded, and left Iraq governance to the Coalition Provision Authority to facilitate the elections and the Iraqi interim government had the power after that (BBC 2004).

Although Iraqis elected the Transitional Government to create a permanent constitution in a democratic Iraq, the ethnic factions boycotted the new government, and communal strife in Iraq took a start (Gelpi, Feaver and Reifler 2005). In the same time period, the Iraqi court decided that Saddam Hussein would be charged for

actions of crimes against humanity and the execution of Saddam Hussein was realised right in front of the media in 2006, and this decision of the Iraqi court became quite controversial in the media (NewYork Times 2006). US increased the number of American troops in Iraq to stabilize the country and when the planned troop reduction started, and Bush government reduced its troops in Iraq (Jamieson 2007).

The Iraqi communal strife in addition to several terrorist attacks in the country still continues with less frequent American military movement in the country. Turkish war against PKK terrorism which has been extended to the Northern Iraqi territories since last year, and American forces which still fight against Al-Qaeda terrorism in Iraq show that Iraqi soil is unlikly to see peace coming in the near future (Jamieson 2007).

4.1.2 Causes of War

The causes of the US - Iraq conflict are divided into two categories in the literature: declared causes, and the claims of the scholars and some politicians. The declared causes are: (1) changing the regime and democratizing Iraq, (2) the struggle against terrorism, (3) Iraq's capability to proliferate weapons of mass destruction and the removal of these capabilities in the name of world peace, (4) the human rights violations of the Iraqi government. On the other hand, the claims of scholars and politicians about the US intention are: (1) controlling the oil in the region, (2) protecting Israel, and (3) regaining its hegemony in the world (Gozen 2006).

Starting with the terrorist movements, United States declared Iraq to be in the "evil axis" according to its National Security Strategy.

> While the United States Government and its allies have thwarted many attacks, we have not been able to stop them all. The terrorists have struck in many places, including Afghanistan, Egypt, Indonesia, Iraq, Israel, Jordan, Morocco, Pakistan, Russia, Saudi Arabia, Spain, and the United Kingdom. And they continue to seek WMD in order to inflict even more catastrophic attacks on us and our friends and allies.
>
> The ongoing fight in Iraq has been twisted by terrorist propaganda as a rallying cry (United States 2006).

This idea comes from the claims of the US that Iraq had ties with the hijackers behind the September 11 attacks, and that Iraq was helping Al-Qaeda in weapons technology, as well as providing them with logistic support. In his declaration in 2002, George W. Bush explained that Iraq continued its actions against the US, helped terrorists, and that the United States would take all the necessary measures to prevent another attack by terrorists (Bush 2002). Although none of the United Nations' government officers or military personnel could provide visible proof of terrorist intentions or weapons of mass destruction in the Iraqi territory, US decided to attack. The reason why any such proof was unclear could be because Al-Qaeda and Saddam Hussein supported totally different ideologies. While Usame bin Laden had an ideology that supported Sharia – the Islamic Law and regulations- and radical Islam, Saddam Hussein was supporting the Baath ideology, which was a mixture of Arab Nationalism and Communism (Gözen 2006, 55).

As a second reason for the conflict, it is possible to focus on the weapons of mass destruction. It has been known that the permanent five of the Non-Proliferation Treaty (NPT): Russia, US, United Kingdom, France, and China have complied with

the NPT and did whatever was necessary against the states that were trying to develop new weapons of mass destruction (United Nations 2000). Before the invasion of Iraq, American policy makers assumed that Iraq had weapons of mass destruction, and advocated this assumption quite strongly, since this could be used as a cause of initiation of war. In a meeting of the United Nations in 2003, United States introduced evidence that Iraq had WMD with photos, videos and documents that were said to have been founded by the American intelligence services (Gözen 2006, 57). The core concern about the WMD's was again based on terrorist movements. United States was concerned with the threat that Iraq could share its WMD's with terrorist groups. In case Iraq shared its WMD's with terrorist groups like Al-Qaeda, retaliation for and deterrence of the usage of these weapons would be very costly, resulting in the idea that a preemptive strike was the best option. Nevertheless, after two years with troops in Iraq, it was clear that Iraq did not have WMD's, and the American government declared that this misconception was the fault of the intelligence services and it misled the US and United Kingdom (Gözen 2006).

The third declared cause of war was the goal of democratization of Iraq and installation of peace in the country. Because of the politics and ideology of Saddam Hussein, US argued that Iraqi citizens had been suffering for a long time, that Saddam's policy was not only affecting the citizens, but also the Iraqi foreign relations with other countries, resulting in destabilization of the region. This reason was also set forth in order to legalize the attack and shift the public opinion. However, it is evident from the outcome that this intention was very difficult to realize. Although it may be argued that it was the first time a democratic election was held in Iraq in decades, all the indicators of democracy showed that the US's

democratization attempt was not successful enough in Iraq and the mission of 'liberating the Iraqi people' arguably failed. On the contrary, the intervention of the Bush administration in Iraq increased the inner-state pressures of governments and regulations in the other Middle Eastern States in the region (Clark 2003).

On the other hand, the "real" causes, according to scholars, are different from what was declared. Some scholars argued that the Iraqi war was an American show of force as a world hegemon, and US needed to strengthen its power in the world after the 9/11 attacks. Because for America, having Iraq in hand meant that it was successfuly realizing the "Great Middle East Project", and that it was becoming more powerful than its rivals such as China, Russia, and Europe in the field of world politics (Clark 2003). In addition, some scholars believed that the American actions in Iraqi territories can be attributed to a new imperialism policy; that US was looking for Iraq to be its new colony (Türken 2007). Lastly, some researchers focused on the importance of energy politics in the region, and America's real intentions (Bulut 2006). The effect of energy politics on this conflict will be explained in the following section.

4.1.3 Why is energy a better explanation?

At the end of the Cold War, the importance of fossil energy resources increased because almost all states in the world moved to a market economy. The Cold War had increased the value of Russia and stabilized the status of Russia over the Caspian Sea, because after the Cold War, the usage of energy resources increased but the trade of such resources was still limited in global ranges –in long distance

transformations. Market economy showed that the demand for the goods were so wide and that the supply was not enough, thus US decided to show and increase its hegemony by attaining control over such resources. These improvements in world politics can be starting point to understand why the Bush government's policy turned into a policy of oil dependency (Alkadiri and Mohamedi 2003; Arı 2004; Bekker 2004 ;Bulut 2006).

As it is already examined, fossil energy resources are intertwined with our daily life, because they are used in medical industry, cosmetics, electronics, defense industry and so forth. Because of their widespread usage in all industries, fossil energy resources have shared a respectable portion in the markets of the 20th century. In addition, from the perspective of American foreign policy making, US consumes approximately 25% of the total oil production in the world, while importing over half of this total number- the US imports roughly 12-13 million daily barrels, about 60-65% of its total consumption, so US imports account for 15% or so of world production (BP 2008). Although United States was trying to decrease the oil dependency, and divide the sources with new strategies, the future projections are showing that the oil imported from the Middle East region can be accounted for nearly 50% of all the oil imported to the US. On the other hand, the Middle East region holds nearly 65% of the world's proven energy resources (Klare 2004, 93). All of these reasons can be an explanation to the question as to why US is trying to adopt an agressive policy in the Middle East.

The common national security strategy towards 2001 has identified increasing oil production and supporting the security in the Persian Gulf as its core

points (The Department of Energy Organization, 1998). Because of US's dependency on the region, it has been in need of securing the region and increasing the production through these means. However, the Iraqi government had been acting against American energy interests. That is why, according to some scholars, that in order to increase the oil production, the foreign policy decisions have been focused on the overthrowing of the Saddam regime and the creation of a new government in favor of Western style governing methods (Klare 2004, 101). Control of Iraqi oil is not only important for controlling the profit and all the incomes coming from the petroleum industry, but also for enabling the American government to control the oil prices in the world, and thus once again increasing the American dollar (Arı 2004, 498). Apart from the fact that the oil dependence of China, Japan and Europe is increasing, US believes that it needs to control the oil to control the world (Arı 2004), and with the control of oil reserves in the Middle East, US will successfully decrease its own dependency to the states which have political controversies such as Mexico, Russia, and Venezuela (The Department of Energy Organization, 1998).

On the other hand, energy is highly important from the perspective of Iraqi government, too. The "Dutch disease" term is significantly related to this issue. In the 1960's, the Netherlands had huge natural gas reserves, but these gas reserves weakened the economy, in contrast to general expectation that energy resources would increase the economy's potential. In the literature, this "Dutch Disease" term explains the states' problems whose economy is dependent on one energy resource (Bulut 2006, 347). These Middle Eastern countries' economies are also dependent on oil or gas and although this monopoly increased welfare in these countries, the other sectors have considerably lost their importance. "Political Dutch disease" is a term

that explains a governmental system in which the oil or gas owners govern the state either as an aristocracy or a tyrant. The situation was similar in Iraq with the Saddam Hussein government. Although Iraq was rich in terms of oil and gas, because there was no investment in other sectors than oil, gas and armament, there was no evidence as to an increase in the national economy. Iraq's lack of control over its own economy also encouraged the US to intervene (Cordesman 2004; Gözen 2006).

Besides all these explanations, it can be said that the intention of the US was also originated from the multinational energy companies based in the US. This is because just in 1972 before the US-Iraq war, these multinational energy companies were forced to stop their works in Iraq, and move back to their countries by Saddam (Iraqi Governor) himself. Since the energy companies lost their share in Iraqi market, in which the extraction of energy resources was cheap, the ability to reach high quality resources was easy and the supply amount was respectable, they started lobbying, acting secretly in American government to take their shares back, and to gain the control of Iraqi oil reserves. So, the war in Iraq was also influenced by the movements of multinational oil companies' lobbies.

To sum up, for the US, among all other causes, oil was the most crucial one. In this case, there was an oil-rich country on the one side; and states with powerful armies and economies on the other. For a state with a powerful army and economy, but dependent on oil resources for all these sectors, there is nothing more realistic than trying to control an oil rich country's reserves. This was US's major goal, as well as the strategy of all other powerful consumer states. "The last Iraq war was triggered with a tendency of attaining oil. Although there are various deaths in the

war, the income of oil companies have been guaranteed" (Bulut 2006, 351). Energy can be accepted as the main cause of the US- Iraq conflict, although American political figures have constantly rejected this idea.

4.2 Russia-Georgia War

4.2.1 Historical Background

Georgia has been a crucial place in history because of its geopolitical location in the world; being a direct passageway between Anatolia, Persia, Russia, the Black Sea and the Caspian Sea. Thus, Georgia has been a home to attacks coming from Russia, Rome, Persia and the Ottoman Empire after 1800. In 1800, the authority was passed to the Russian Tsar and stayed under the Tsar's control until Georgia declared independence in 1918. But this dream of an independent Georgia did not last long. In 1922, after the Bolshevik revolution, the Russian Red Army invaded Georgia, making it a part of the USSR (Nodia 1995). In 1936, Georgia became a district under the USSR. On the other hand, North and South Ossetia were not yet separated and were a part of the USSR as Ossetia until 1922, when Stalin divided it into two, where North Ossetia was given to Russia, while South Ossetia became a part of Georgia. In 1936, North Ossetia became independent with of the support of Georgia (Hunter 2006). In 1988, with the encouragement of the glasnost policy of Gorbachev, South Ossetia wanted to reunite with North Ossetia, but because of the increasing nationalism in Georgia, along with the importance of territorial integrity, this request was rejected.

Georgia stayed under the USSR authority until 1989, after which it began declaring demands of autonomy. Separatist movements in the South Ossetia region started in this time period. Russia accepted Georgia's demands of independence because it was using Russian sources, and making Georgia independent was going to balance Russia's economy, and Russia was not in favor of dealing with South Ossetians anymore (Nodia 1995). However the clashes continued for two years with serious casualties, since Georgia was not in favor of the independence of the South Ossetians. In 1991, Georgia became independent and in 1992, Russian troops were deployed to South Ossetia, but around the same time fighting broke out in Abkhazia. Until 2001, Georgia maintained its stability, but new clashes started in 2002 in Abkhazia (Trenin 2007). In 2003, the Rose Revolution took place in Georgia without any bloodshed, and Mr. Saakasviili, a pro-western president, came to power in Georgia, and started reforms in Georgia. He proposed autonomy to the Ossetians inside Georgia but they rejected it and asked for independence in 2005.

Besides Georgia's relations with South Ossetians, Georgia was dissatisfied with the Russian intervention to its domestic problems, and focused on the removal of Soviet troops from the country, and on efforts that resulted in the signing of a treaty with Moscow that agreed to remove Russian troops from Georgia in the end of 2008 (Trenin 2007). In 2006, Georgia further demanded that Russia withdraw its peacekeeping forces from both South Ossetia and Abkhazia, and agree to change them with international peacekeeping forces. Russia chose to continue its sanctions over Georgia. Consequently, South Ossetia made a referendum that demanded full independence, and this movement was introduced as Russian campaign and it stroke one more conflict between the belligerents (Hunter 2006). Georgia was mostly right

about its claim of Russian campaign, because most of the separatist movements in South Ossetia and Abkhazia in the past were realized with the help and support of the Russians (Nodia 1995).

When it comes to this year's developments, in March 2008, Kosovo's declaration of independence followed by its acceptance by the world encouraged South Ossetia, and after seeing that Russia was also supporting the independence claim, South Ossetia invited the world to recognize the region as a sovereign state. Although Georgia once more offered to share the power in governance with autonomy, South Ossetia insisted on full independence, again with the support of the Russian Federation (Birch 2008). This was followed by clashes between the Georgian government and the South Ossetian rebels. In August 7, President Saakasvilli decided on an air bombing over North Ossetia, and launched it in a parallel time period with the ground attack to South Ossetia. This became a great chance for Russia to realize plans over Georgia, and it invaded Georgia claiming that the South Ossetians and Russian citizens were under attack (Naughton and O'flynn 2008). Although a ceasefire has been declared on August 12 in Georgia by the Russian Federation, the news have shown that the conflict and the bombing process continued in the region after the ceasefire (Birch 2008)

4.2.2 Causes of War

The conflict between Georgia and South Ossetia initially had ethno regional and political grounds; the issue was destabilizing Georgia, which is why the crises always received Russian support (Nodia 1995). The core reason of the crisis was

directly ethnicity based – South Ossetians wanted to unite with North Ossetians and form an independent state –, but the Russian interventions always changed the nature of the conflict in the region.

According to the literature on international conflict, identity problems that stemmed in ethnicity, religion, language issues etc. have always been accepted as causes of civil conflicts while they may also be accepted as the causes of interstate conflicts. Conflicts over identity have been common since different identity groups feel threatened by any other identity group. At the end of the Cold War, nationalism was once again awakened and conflicts between ethno national communities increased due to the fact that these groups started to demand autonomy (Riggs 2007), and the South Ossetian movement can also be accepted as one of these nationalist movements. Starting by the ethnic division in the region, Georgia consists of 70% Georgians, 8% Armenians, 6% Russians, 6% Azeris, 3% Ossetians and 2% Abkhazians (Hunter 2006). The Abkhazians in the world were mostly located in the Abkhazia area in Georgia, but the situation was not the same for Ossetians. Most of the Ossetians were located in North Ossetia rather than South Ossetia. Although South Ossetia consisted of a population less that 1/3 of the Georgian population, Ossetians living there made up only 3% of the overall population; in addition, although Georgians and Ossetians had strong ties by 1989, the political climate of nationalist movements in 80's encouraged ethnic movements for the demand of independence. It was not easy for Georgia to let go one part of their territory, especially when that part was situated in the "heart of the country", in the Russian border, as well as being the core place for smuggling (Freese 2005).

The reason that has been outlined above was the core reason of conflict in the 1980's, but the current conflict between South Ossetia, Georgia and Russia has different triggering points from different perspectives. For South Ossetia, the causes were mainly the ethnic differences, the support of Russia for their own demands of independence, and the already existing tension in the region. However, Russia and Georgia had different intentions. For Russia, the core reason was the dissatisfaction that the recent NATO enlargement process had created in the country. Although NATO was established against the Warsaw pact states, after the end of the Cold War, member states decided to enlarge their security structures throughout post-communist states, beginning with Romania and Bulgaria (NATO 2008). The membership of Romania and Bulgaria had displeased Russia, but the possibility of membership of Ukraine and Georgia created a larger dissatisfaction, since after the membership of these two countries, Russia would be the only state who would not be a member to NATO in the Black Sea region (Laçiner et all. 2008). This işssue –being the only country without NATO membership for Russia- created perception of threat for Russia, which led to a belief that. the neighboring states would unite against it. The West would get its support in regional disputes, and Russia would loose its chance to be a regional hegemon, and thus influence the regional states. So, preventing Georgia from becoming a member of NATO was the core intention of Russia, which would also send a highly significant message to Ukraine as well.

With the help of the NATO candidacy and close relationships with the US, the military presence of US in Georgia increased significantly (Bhadrakumar 2008). This continuing domination of pro-western ideas in the Georgian government was also increasing the dissatisfaction of Russia in the region, since it was changing

Russian dominance in the Caucasus. I believe that the aim of gaining the control of Caucasus, especially over strategic trade and energy routes was also important for Russia. Russia had desires to remove Georgian troops and deploy their own troops to parts of Georgia, while looking for the independence of South Ossetia and Abkhazia (Laçiner et all. 2008). Finally, Russia wanted a change in the regime of Georgia, mainly due to Saakasvilli's pro-western presidency, and set up a pro-Russian government in Georgia to change Georgian politics in the region.

On the other hand, Georgia had some other goals in the crisis, although it has been seen as the victim by many. The delay in the NATO membership raised Georgia's security concerns (Birch 2008), and it believed that a crisis would increase the pace of the process of membership to NATO. The political situation in Georgia was also forcing Saakasvilli to take action for the problematic regions of Abkhazia and South Ossetia. Apparently, when he came to power during the Rose Revolution, Saakasvili had promised to solve the problems in these separatist regions of the state (Laçiner et all. 2008). Besides these intentions, increasing American support to Georgia, increasing support of neighboring countries in the region encouraged Georgia for retaliating against South Ossetia, and since its investments increased the military capability, Georgia attained self-reliance (Cohen 2008; Macintyre 2008; Naughton and O'flynn 2008) . But she was where the problem raised; they could not calculate the Russian power and their reaction in the crisis.

4.2.3 Why is energy a better explanation?

According to newspapers like International Herald Tribune (Birch 2008), Times Online (Macintyre 2008) and Asian News (Bhadrakumar 2008), Baku-Tblisi-Ceyhan (BTC) pipeline has been accepted as a key reason for Russian offensive movements in the Georgia-South Ossetian clashes, mainly because this pipeline was reducing the Western dependence to Russian oil, thus weakening Russia's hand in international politics. Baku-Tblisi-Ceyhan pipeline is a consortium project led by the British Petroleum. It is mainly a crude-oil pipeline which extends as far as 1,768 kilometers from the Caspian Sea to the Mediterranean Sea (BP 2008) and with this length it is the second largest pipeline in the world after the North TransGas pipeline which is between Russia and Germany. The core importance of this pipeline both for the consortium, BP, the countries through which it passes, Europe and the US was that this pipeline was letting the Azerbaijani, Caspian oil reach the open seas, thus decreasing the monopoly of the Russian oil in the world.

Firstly, discussing the significance of this pipeline for the European Union (EU) will be a good starting point. As outlined in the last Green paper, EU prioritizes six areas: competitiveness in the internal market in the energy sector, diversification of the supplies, solidarity to prevent the energy crises, sustainable development, innovation and technology and external policies (Commission of the European Communities 2006). For both long term and short term energy security objectives, EU is trying to provide sustainability of the supply, and is coordinating the investments in the energy sector. In addition, for the diversification of the energy supplies, it is obvious that EU sees Russia as a good partner, but is also moving towards the Caspian region for energy resources as well as alternative renewable

energy resources. EU imports most of its energy needs from Russia thus is quite dependent on Russia, which in turn makes Russia more powerful over EU in realist perspective. Although some scholars and Russian governors believe that this is not a one way dependency, and that it is becoming reciprocal dependency; EU has begun to see BTC as a great starting point for the energy routes' diversification (Commission of the European Communities 2006). "Europe is one of the main customers of oil coming through the south Caucasus pipelines as they were set up in a bid to make the West less dependent on supplies from Russia, which has shown a willingness to close the taps in disputes with other ex-Soviet States in recent years" (Deutsche Welle 2008). For EU, this pipeline opens the way to the Caspian energy without any need for Russia or Iran, making them view the pipeline as a way of freedom from Russian and Middle Eastern oil.

On the other hand, for Georgia, and all the other Central Asian states, the BTC pipeline can also be explained as freedom from Russian energy hegemony. Since after the end of the Cold War, and the collapse of the USSR, Russia has always tried to continue its relationship with the post-communist states, while trying to protect its power design over these states and for Georgia. This was the first undertaken movement for independence from Russia, with the encouragement of US, Europe and Turkey. "Despite the fact that Georgia itself does not produce oil (BP 2008), the country is a key transit point for crude oil and gas exports from Azerbaijan to markets in the West (Commission of the European Communities 2006)" (Deutsche Welle 2008).

As a strategy, Russia had used a new path in the last decade to make the dependent countries more dependent on itself. While the dependent countries are trying to diversify their energy routes and supplies, Russia began signing treaties with former Soviet territories in the Caspian region, making sure that dependent countries would not import any energy resources without its permission, to make them more dependent on itself. For example, Russia made a gas agreement with Turkmenistan that guaranteed Turkmenistan to sell its gas resources only to Russia (Bhadrakumar 2008). This was a good exchange for the Caspian countries too, because they were also guaranteeing their demand, although they had a fixed price. Control over resources, pipelines and long-term contracts enabled Russia to have the smart power[4] of energy which aggregates soft and hard power rather than hard power of military and soft power of diplomacy. So, the actions of Georgia and the construction of the Baku-Tblisi-Ceyhan Pipeline was totally against Russia's interests, which had been identified for years, and Russia was in a need of retaliation against Georgia (Pagnamenta 2008). If Russia let Georgia continue this path, this would mean that their gain from energy sector will decrease, as well as signaling the other Central Asian states under control of Russian energy policies to move to their own routes, thus decreasing Russian power in the region. Russia wanted either to disrupt the pipeline, or the stability in the region to cut the deliveries from the pipeline, because such an action would force Europe back to Russian energy resources which are more stable, once again increasing Europe's dependence on Russia (Laçiner et all. 2008). The increase of Russian domination over Georgia would also lead to Russian domination over energy routes, with a Georgian

[4] Smart power is a term created by Joseph Nye to enlarge the soft power idea. According to Nye, smart power is "the ability to combine hard and soft power into a successful strategy" (Nye 2008; Nye and Coutu, 2008)

government supporting Russia, the Caspian Sea region would be under control of Russian Government again. This would make the diversification of energy routes impossible especially for Europe and thus the United States.

To explain all these intentions of Russia, we must refer to the past events which Russia was engaged by the means of using the process tracing method. Two main events in Russian contemporary history can be good examples for this situation: The Russian Agreements with some Central Asian states to ensure its monopoly in the region, and the attempt to cut off Ukrainian energy supply. Russia has been using energy resources as a "weapon", "soft power" in the region with these attempts. Starting with the agreements that Russia has undertaken around the Central Asia, Wallender explains that "Russian energy negotiations with Kazakhstan, Turkmenistan, Ukraine, and China have yielded exclusive contracts for Russian enegy exports at higher prices, agreements for Russian control over strategic pipelines and even joint investment arrangements for Russian companies abroad" (2007, 107). These developments can be seen as a good sign for the changing foreign policy course of Russia, which has become more and more energy oriented in recent years.

> Moscow has used its importance in global energy markets to fracture the EU's commontrade policies; to limit its neighbours' willingness to pursue political and security relations that Russia opposed (influencing Ukraine's new retiance on NATO membership, for example): to lay the groundwork for multifaceted cooperation with a rising China; and to create leverage for Russia's entry into the global economy as an investor and owner (Wallender 2007, 111)

These quotations can explain the Russian viewpoint through the world especially to Europe with energy as a tool of power.

As a second attempt of Russia's new foreign policy, the cut off of gas to Ukraine can be another good event to explain the historical process of the decisions. The dispute between Russia and Ukraine over gas transformation and gas prices started in 2005, since Ukraine accused Russia of putting unbalanced gas prices to different countries. After nearly one year of dispute between Russia and Ukraine, Russia cut gas exports to resolve the dispute, but it was clear that this movement was a way of showing energy as a force to the neighboring countries and Europe. Because, as it is clarified by Stern, "The Ukranian gas pipeline system plays a large role as an intermediary connecting Russia with growing European markets, and Ukraine itself is an importer of Russian Gas" (2006, 11). In addition, since Ukraine started to buy gas from Turkmenistan, Russia felt threatened that it might lose its monopoly over gas resources. With respect to these two examples, it was obvious that Russia has been using energy as a tool of power, and in Russia-Georgia war, Russia again used energy as a source of conflict.

4.3 Comparison of The Two Cases

In the comparison part, the independent variables will be explored one by one, the theoretical structure will be focused on each case, while four hypotheses and their implications will also be analyzed. The order will be done with the focus of most different systems design.

As one of the independent variables, deprivation of energy resources will be the first focus of comparison. Since the theory is focusing on deprivation at the system level, I compared the consumption and production accounts of total world yearly oil (BP 2007). Simply put, there is increasing inequality in the production consumption relations, while consumption is increasing in a faster rate. If we focus on the Table 1, it can be easily seen that world's production has not satisfied the world's demand since 1980's because, according to BP statistical review, the difference between production and consumption becomes negative after this period. Besides, with the same statistical review, comparing the proven reserves on 2006 (1208,2 thousand million barrels) with consumption in the same year (83719 thousand barrels) – only in case there is no change in energy consumption- these proven reserves can only be sufficient for approximately 39 years (BP 2007). However, with the evident yearly increase in the energy consumption, 39 years is actually an optimistic projection, because of the increasing numbers of consumption yearly, and decreasing investments on oil and natural gas. With these projections, it can be said that general scarcity is increasing in the global range in the long-term. This situation cannot be enough on its own to explain the aggression of Russia and US in 2003 and 2008, but there seems to be a relationship since their concerns over fossil energy resources are increasing year by year.

TABLE 1: TOTAL WORLD PRODUCTION AND CONSUMPTION OF OIL (BP 2007)

	1965	1970	1975	1980	1985	1990	1995	2000	2001	2002	2003	2004	2005	2006
TOTAL WORLD Production- thousand barrels	31803	48061	55825	62946	57469	65470	68125	75033	74932	74496	77056	80244	81250	81663
TOTAL WORLD Consumption- thousand barrels	31240	46066	54991	61731	59384	66830	69830	76280	76828	77737	79158	81898	83080	83719
Total World Production-Consumption	563	1995	833	1215	-[5]1915	-1360	-1706	-1248	-1896	-3242	-2102	-1655	-1829	-2056

[5] It can be easily seen that after 1985, the difference between production and consumption becomes negative which creates statistical discrepancies and showing that consumption is exceeding the supply. BP explains these discrepancies with the stocks because they are explaining that the overconsumption is provided from the stocks of the states. For example, US used their stocks to close the gap between their consumption and production. The stock numbers can be seen in BP Statistical Review (2008)

On the other hand, the second independent variable, the presence of major power is easier to explore in a dyad, because the State System Membership list and its sublist about major powers, which is created under Correlates of War Project, can be useful to prove which state is a major power (Correlates of War 2008). According to this dataset, US, and Russia were accepted as major powers, in the time period of the US- Iraq, and the Russia- Georgia Wars. After establishing the values of independent and dependent variables, the focus on most different systems design is significant.

TABLE 2: The Most Different Systems Design

	US-Iraq	**Russia-Georgia**
Independent Variable		
Status of Energy Resources	Consumer- Producer Dyad	Consumer- Producer Dyad
Major Power Presence	US (Present)	Russia (Present)
Dependent Variable		
War	War	War
Control Variables		
Territory	Not neighbours (Territorially Distant)	Neighbours (Territorially Approximate)
Regime/Government	Democracy- Autocracy Dyad	Democracy- Democracy Dyad
Ethnicity	No influence of ethnicity	Influence of ethnicity in Ossetia
Alliances	Not in a same regional alliance formation	In a same alliance formation (CIS- Commonwealth of Independent States, OSCE- Organization for Security and Cooperation in Europe)
Capability	The gap between capabilities is wide but since Iraq has used chemical and biological weapons before, there was a possibility Iraq had them.	The gap between capabilities is wide

The Table 2 explains the general outlook of the most different systems design. In this part, all the control variables that have been compared will be examined to see all the points in clearer way. Starting by the territorial situation of the two cases, it can be said that territorial proximity is an important cause of conflict according to literature, and it gives states a chance to increase their interests in the region, and rather than focusing on peaceful solutions to a crisis and making relative gain possible, neighbouring countries prefer absolute gains by converting crises into conflict. So, territorially proximate states are more likely to engage in a conflict. In my cases, while US and Iraq dyad embodies a considerably large territorial distance, in the Russia and Georgia dyad, the states are neighbours. With this respect, it can be said that territorial proximity is not always the cause of conflict: while it can be influential in Russia and Georgia case, but had no effect on US- Iraq case.

Then, the differences in the regime/government type, as a core conflict cause in the liberal international conflict literature, are significant. Conflict theory focuses on the differences in regime types; different regimes in a dyad are more likely to fight than a joint democracy dyad. Between my cases, while the US-Iraq dyad is democracy-authoritarian, the Russia- Georgia dyad is democracy-democracy. My second case, Russia- Georgia dyad can easily show the idea that this premise of liberal conflict theory is a false premise. I agree with the realist literature, which argues that the liberal democratic peace proposition is based on a false premise; it is not the regime type but only common interests that lead to democratic peace (Gowa 2000). Consequently, I believe that regime type cannot be accepted as a proper explanation for these two cases.

Ethnic diversity is another factor that is accepted as a conflict cause. Ethnicity is mostly influential in civil wars but sometimes it can be effective in interstate wars too. In US- Iraq war, the causes of the conflict is totally unrelated to ethnicity, since the etnicities the Americans and Iraqi people have no influence on each other directly and they have no interest in the ethnic make-up of the other side. On the other hand, in Russia and Georgia war, although there is no ethnic conflict between Russian and Georgians, the South Ossetian region, and Ossetians are becoming problematic between the two regions. However, the Ossetians are not Russian, and since the conflicts over identity become more possible in case members of these different groups feel threatened by the other group, there is no reason for Russians to feel threatened with Georgian movements through their own identity. Although there is strong influence of ethnic identity issues in the Russia- Georgia war, it can be said that ethnic differences cannot be the core reasons that lead to war.

Moreover, alliances, another control variable of the theory, are believed to deter war by stabilizing the military capabilities according to some international relations scholars like Holsti, Hopmann and Sullivan (1973). Between these cases in that causality, the Russia Georgia case should not have been a war, since they are the members of same regional institution CIS (Commonwealth of Independent States), they need to be more peaceful to each other. On the other hand, the US and Iraq have no common ground to stabilize their capabilities. With this viewpoint, the US and Iraq war can be explained but, Russia and Georgia conflict should not have led to war and since the alliance they are stabilizing their capability. But as it is explained in the realist theory, the only core reason can be the interest for a state to go to a war, and alliances have limited effect on limiting conflicts.

Lastly, the differences between capabilities of states have been explained in the theories of balance of power, power transition, hegemonic decline, and long cycle theories and these different theories agree on differences in the power capabilities of states that affect the likelihood and frequency of war. Capabilities can be explained with iron steel production, energy consumption, military expenditure, military personnel and total population and with the composite index of national capability (Singer, Bremer and Stuckey 1972). In the US- Iraq case and Russia and Georgia case, the gaps between the capabilities of states was wide in the time of the war, the distance was not only in the energy consumption, but also in military personnel, population and composite index of national capability. For example, while US had 0.1497016 point in composite index of national capability and Russia had 0.0545499, Iraq's index counted as 0,0067016 and Georgia's 0,005777 (Singer, Bremer and Stuckey 1972). However, the significant situation and the difference about the US-Iraq war was that since Iraq had weapons of mass destruction (WMD) like chemical weapons which Saddam used against his own citizens in 1988, Iraq had the chance to retaliate US with the threat of having and using WMD's. This possibility of presence of WMD's was giving Iraq a chance to compare capabilities with US.

After explaining and comparing the cases with the most different systems design, I am going to focus on the hypotheses, and explore them in the cases, with all their implications. Starting by the first hypothesis, a state's increasing need of fossil energy resources, which can be calculated by the proportion of production of that state with consumption of these resources by the same state, increases the likelihood of conflict; it is possible to examine the cases with checking the measures of the

state's consumption and production data. When energy resources are compared, while US and Georgia are both consumer states, Russia and Iraq are producer states according to the calculations from the BP Statistical Review data (2008). US, as a consumer country, produces 6879 thousand barrels daily, according to the 2007 data, its consumption on oil is 20698 thousand barrels daily which creates an economic imbalance and strong need for importing the energy resources. This situation is nearly same for Georgia as a consumer country, although Georgia's case is not as dramatic as that of the US. On the other hand in Iraq, the oil production is nearly 2145 thousand barrels daily, and the consumption is so limited because of the chaos in Iraq, the industries are not working appropriately, according to 2007 records. Russian situation is a little different in comparison to other cases, Russia is a producer and exporter county both in oil and gas, and the production in gas is more crucial for Russian market. Russia has a daily production record of 9551 thousand barrels of oil, and 57.9 billion cubic feet of gas, while the daily consumption figures are only 2753 thousand barrels of oil, and 39.2 billion cubic feet of gas.

Expectedly, both state dyads experience conflict caused by energy resources, since one of the hypotheses states that producer-consumer dyad is more likely to fight and these two consumer-producer dyads have engaged in conflicts with a reason of energy resources. This lead me to my fourth hypothesis, not only a consumer state initiates war in case the energy supply is cut off, but that a hostility initiation can originate from a producing state because of the concerns over market primacy. In the US- Iraq war, we can see easily the first situation, a consumer state initiates war because their energy usage is so huge and production is limited, and they have been trying to find means to reach energy resources in a cheap and easy

way. Saddam's movement to stop the oil trade just before the US-Iraq war can be significant support for this argument. In April 8, 2002, Saddam declared that he would cut the oil exports and that Iraqi government decided "to stop oil exports completely as of this afternoon, 8 April, via pipelines going to the Turkish port on the Mediterrenean and via our ports in the south for a period of 30 days" (BBC 2002). This attempt of Saddam to cut off the US' and world's oil supply can explain why US found war as a viable option to reach the energy. In the Russia-Georgia war, the latter situation can be illustrated: A producer state initiates war due to its rise of concerns over market primacy.

Besides these hypotheses, my comparative case study shows that energy wars are also correlated with major power status and the third hypothesis, major power presence in a crisis increases the likelihood of energy conflict, can explain the situation properly. In my theory, I argue that major power presence in a dyad increases the probability of conflict over energy resources. In the first dyad, US-Iraq war, US, as a major power and a consumer country, initiates the war with energy concerns, and the second dyad, Russia- Georgia war, Russia as a major power and producer country initiates the war with the concerns of the trade routes and its monopoly over resources in the region. It can be said that whether the state is consumer or producer, being a major power helps that state to engage in energy conflict.

The significance of energy resources on conflict became clearer with the help of these two cases: Iraq-US and Russia-Georgia, in which the realist expectations of energy resources materialized to a considerable extent. It is evident that the

involvement of a hegemonic power in a crisis is crucial because the costs of war are not affordable for smaller powers, thus leading states to more peaceful means of handling the issues. Energy crises are not turning into conflict in cases where the states that are part of a dyad are small powers since war over energy would be too costly for them. But for the major powers energy is crucial for continuity of economic activities, stability and military power. So, a hegemonic power affords the costs of the war in order to get the benefits of energy market.

In addition, with these cases, the exact relations within a consumer- producer dyad can be explained. Since the importers provide their energy needs from other states, it makes more sense that they are less likely to initiate a conflict, because conflict is costly for the state. On the other hand, the producers should be the aggressive ones mainly because they have the power of energy products and their trade. They are able to use energy as a "weapon" in international politics. However, these case studies show us that a consumer state can be aggressive if it is a hegemonic power. Most of the industries of a major power have to engage in energy trades in order to function, especially in the defense sector. In addition, for a major power, the costs of the war are easily counterbalanced by the benefits of the energy flow attained from the war. Thus the major implication of the comparative case results is that only realist theory can properly explain conflict by energy politics when one side is a major power.

CHAPTER V

CONCLUSION

This thesis concludes that energy politics influences the probability of conflict to a certain extent as the realist/neorealist theory would expect. The significance of research on conflicts does not arise just from the number of casualties, but more so from the causes of the conflict, intentions of states, the settlement processes, and the outcomes, all of which considerably influence states as well as the world politics. For this reason, this thesis examined energy politics as a cause of conflict by comparing two case studies. The major assumption behind this research was that energy is very influential in international relations because it is quite prominent in daily human life and technology, making it a vital necessity for all states alike.

The general focus of this thesis is the causal relationship between scarcity of fossil energy resources and likelihood of conflict. In order to portray this relationship, a large body of knowledge from both the conflict and the energy literature has been analyzed in the literature review chapter. Within the conflict literature, all conflict causes were examined alongside energy resources, mainly in two levels of analysis: state and system levels. Analysis in the system level included causes such as power politics, polarity in the world system, alliance ties, power

transitions, power cycles and hegemonic stability theories. Analysis of conflict causes in the state level examined territorial relations, contiguity, regime type, public opinion, and complex interdependence.

The effects of fossil energy resources on conflicts were taken as another source of conflict in the second part of the literature review. In this section, the general causes of energy conflicts were explained, and a conclusion was reached, which argued that dyads including states that have scarce energy resources would become more conflict prone.

In the theory and methodology chapters, the main goal was to focus on the idea of survival, which, according to the realist theory is very significant, and explanations were presented regarding how energy sources are important for survival and why states are disputing over such sources. Four hypotheses were constructed to explain energy conflicts. The first hypothesis is regarding the interaction of the production of fossil energy resources with their consumption and how this interaction increases the intensity of conflicts. The interaction between three variables, namely - proven energy resources, production and consumption- gives the energy need of a state, and thus the state's standpoint in the energy market. Having a brief idea of a state's energy situation, and that state's intervention to conflict is possible to calculate the effect of energy resources on conflicts. The hypothesis explains that if a state's need of energy resources increases, then the conflicts that a particular state will engage in can and will most probably be more hostile. Secondly, the thesis tried to examine whether a Consumer and Producer dyad is more prone to a conflict. With the third hypothesis, the thesis tries to examine whether major power presence in the dyad makes the energy conflict more probable. The fourth hypothesis focuses on the

war initiators. Not only a consumer state initiates war in case the energy supply is cut off and there is a need to provide the necessary reserves, but also a hostility initiation can originate from the producing state because of the concerns over market primacy.

In Chapter III, the choices of methodology were also revealed. The operationalization and conceptualization were done first in order to explain what the dependent, independent and control variables were, and the logical ties between these variables. US- Iraq and Russia- Georgia cases were chosen for the comparative case study as consumer producer dyads to explore the four hypotheses.

Chapter IV moved to the comparative case study, most different systems design, in which two conflicts were tackled: wars between Iraq-US and Russia-Georgia. The historical backgrounds of the two conflicts were briefly summarized; causes of these disputes in the literature were explained, and later the impact of energy politics on the conflicts was discussed.

Does the comparative case study support the hypotheses or the theory? Are energy politics more significant than other causes of conflict? The data point to mixed results. This thesis demonstrates that the realist discourse of energy being the major cause of conflict nowadays is conditional. I show that energy is indeed significant for states, and thus conflicts,and energy trade issues do threaten international peace and security; but in order for energy politics to become a direct cause of war, two conditions are required; a consumer-producer dyad and a major power involvement in the dyad.

As said, a consumer- producer dyad is more likely to engage in conflicts over the energy market, if one party in the dyad is a major power. The core reason that lies under this result is that since consumers and producers are interdependent (i.e. one cannot exist without the other), both try to gain the advantage of the energy market from their own perspectives. For a consumer, the security of the supply and the reaching of cheap energy are of utmost importance, whereas for a producer, the security of the demand, the reduction of cost and the increase in benefit are essential. So, consumers behave less aggressively mainly because they are more dependent to producers for the supply of energy resources, and they try to emphasize good relations with the producer states, but producers try to take advantage of the market, gain more money, and by threatening the consumer states, use energy resources as a weapon. This is the scenario, which was initially expected in this thesis.

According to realism, states will do anything for the sake of their survival, and will decide on matters of national interest from the perspective of survival. Energy politics is dependent on the idea of survival since energy is the core commodity for human life. However, this thesis shows that in international conflicts, the issue of survival is not enough on its own for a state to engage in a conflict with another state for energy scarcity issues such as trade, ownership, extraction etc. The cases examined predict that the previously-expected scenario could change depending on major power involvement in a conflict. Such a hegemon affects energy disputes to turn into conflict because as realism emphasizes, balance of power is significant to survive in the world, while the only way to protect the balance of power is equalizing the capabilities of the dominant powers in the system. So, for a major state, and a state's improvement, it is necessary to grow faster than the other

major powers in the system to protect the relativity. Energy provides a faster growth because most of the industries work with machines fueled with energy resources, especially the defense sector. Satisfying energy demand is crucial in that sense.

Besides, cost of war is another relevant issue. It can be said that the attendance of a hegemonic power in a war is crucial for an energy dispute to turn into a war, because the costs of the war can not be easily compensated by the small powers. However, for major powers, energy is crucial for continuance of economic activities, stability, and for military power. So, a hegemonic power needs to face the costs of the war in order to reap the benefits of the energy market.

In conclusion, this thesis argued that energy politics is strongly interrelated with conflict and can be accepted as a conditional conflict cause. When the need on energy resources increases, the aggressiveness of at least one side increases, and if that particular side is a major power, there is a considerable possibility that the crisis will turn into a war.

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